ENERGY TRANSITION TAKES AMBITION

ACWA POWER
أكوا باور

Integrated Annual Report | 2023



ABOUT THIS REPORT

About ACWA Power

ACWA Power (TADAWUL:2082) is a Saudi-listed company and the world's largest private water desalination company, the first mover into green hydrogen, and a leader in energy transition. Registered and established in 2004 in Riyadh, Kingdom of Saudi Arabia, ACWA Power employs over 3,700 people and is currently present in 12 countries in the Middle East, Africa, Central Asia and Southeast Asia. ACWA Power's portfolio comprises 81 projects in operation, advanced development, or construction with an investment value of SAR 317.8 billion (USD 84.7 billion), and the capacity to generate 55 GW of power and produce 7.6 million m^3/day of desalinated water per day, delivered on a bulk basis to address the needs of state utilities and industries on long term, offtaker contracts under utility services outsourcing and Public-Private-Partnership models.

→ Learn more: www.acwapower.com

ACWA Power's Integrated Annual Report 2023

This Integrated Annual Report for 2023 encompasses financial and non-financial information and combines our financial reporting, our sustainability reporting and the Board report, as well as our strategy, business model, risks and opportunities, to give our shareholders and other stakeholders a comprehensive record, in one report, of our activities, achievements and goals, throughout the reporting period from 1 January to 31 December, 2023.

All financial information in this report is reported in million of Saudi Riyals unless otherwise stated. As a result of calculations, rounding differences may occur.

This year's theme – Energy transition takes ambition

Following the 2022 Integrated Annual Report theme, Energy transition takes ingenuity, this year we describe how ambition has been a driving and shaping force for ACWA Power over the last 20 years, how it has resulted in our leadership position on the global stage in what we do, and how it will drive us to achieve our ambitious next milestone, the tripling of our assets under management by 2030.

Total portfolio basis and ACWA Power equity basis

References in this report to ACWA Power's projects are on a total portfolio basis rather than on ACWA Power's equity share basis, unless stated otherwise.

Report boundaries

The report encompasses financial and non-financial data of ACWA Power Company ('the Company'), and its subsidiaries, which, together with the Company, are collectively referred to as the 'Group'. The report consolidates data of the Group's direct subsidiaries listed in the notes to the consolidated financial statements as of 31 December 2023.

This fiscal year, our employee accounting parameters are restricted to permanent full-time employees, with project employees omitted from the dataset, giving a total of 3,701 employees. Previously, we reported total full-time employees for 2022 and 2021 as 4,062 and 3,920 respectively. We have restated the employee data for 2022 and 2021 to 3,199 and 2,860 in order to maintain consistency in our accounting methodology.

Auditors

KPMG, conducted the audit of our financial statements, prepared in accordance with International Standards on Auditing (ISAs), which are endorsed in the Kingdom. The Integrated Annual Report was considered consistent with the audited financial statements by the auditors.

KPMG Professional Services carried out a limited assurance for the selected quantitative indicators (greenhouse gas Scope 1 & 2 emissions on equity share basis, CO_2 intensity, water withdrawal, discharge, and consumption, employee training completed and average training hours, total recordable incident & recordable incident rate, fatalities).

→ See the independent limited assurance report in the Appendix on page 244.

Sustainability reporting

We see our non-financial reporting as a continuous process of improvement year-on-year and we are aware that, as a rapidly growing company, we need to develop the manner in which we capture and manage a comprehensive and consistent set of sustainability data from around our business.

We also review and consider the recommendations and frameworks provided by other globally respected organisations, including Sustainability Accounting Standards Board (SASB), the Taskforce on Climate-related Financial Disclosures (TCFD), and the World Economic Forum (WEF).

ACWA Power follows United Nations Global Compact principles as the basis for its development. For this report, we have selected the United Nations' Sustainable Development Goals (SGDs) which align most closely with ACWA Power's activities.

Our ESG performance is measured and monitored continuously and assessed against our sustainability ambitions and material KPIs. We assign management responsibilities and KPIs to measure performance across our departments. Managers report results to the Management Committee and the Board of Directors (the Board), and this provides a basis for strategies to achieve targets and improve performance. We plan to conduct a new materiality assessment and refine our primary ESG KPIs in 2024.

New GHG emissions accounting methodology

As part of our continuous improvement, the GHG emissions data included in this report are based on a new methodology adopted in order to improve our GHG emissions reporting and disclosure. The new methodology enhances the accuracy of operational data flow and provides a more accurate representation of GHG emissions. As our baseline year for our emissions targets is 2020, we have restated the GHG emissions for previous years. The GHG emissions provided in this report are based on the enhanced new methodology.

Board report

This document includes the statutory Board report of ACWA Power Company for the year ended 31 December 2023. The report has been prepared in accordance with disclosure requirements as stipulated in the Corporate Governance Regulations ('CGR') issued by the Capital Markets Authority ('CMA') of the Kingdom. The report has been approved by the Board on 29 March 2024 and disclosed to the public subsequently. The Report may include disclosures sourced directly from certain internal Company documents, such as policies, charters etc., and undefined or capitalised terms will bear the meaning as defined in these internal Company documents.

Disclaimer:
Please refer to the disclaimer on page 252.

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Investor Relations department IR@acwapower.com



CONTENTS

CHAIRMAN'S MESSAGE 6

A HISTORY OF AMBITION 10

2023 HIGHLIGHTS 12

VICE CHAIRMAN AND MD'S MESSAGE 16

AT A GLANCE 18

Who we are 20
What we do 22
Where we operate 24

STRATEGIC REVIEW 26

CEO's message 28
Business model 32
Market review 34
Innovation review 38
Digital and AI innovation 46

RISK MANAGEMENT 52

Risk Management 54

PERFORMANCE REVIEW 66

CFO's message 68
Financial Review 70
Operational review 82

SUSTAINABILITY REVIEW 84

Sustainability approach 86
Our ESG framework 90
Sustainability governance 92
Sustainability strategy 94
Stakeholder engagement 97
Climate change 98
Emissions 100
Renewable energy 108
Reliability of Supply (RoS) 109
Environment 110
Society 118
Corporate governance framework 138
Corporate governance 140

BOARD REPORT 146

The Board of Directors structure and responsibilities 148
Board committees 164
Senior Executives 176
Further disclosures 182
ACWA Power companies 200

APPENDIX 216

ACWA Power assets 218
GRI content index 231
SASB index 236
TCFD index 238
WEF index 240
UN Global Compact principles 243
Independent limited assurance report 244
Disclaimer 252
Glossary 254
Locations and addresses 257

FINANCIAL STATEMENTS 258

Online version of Integrated Annual Report



King Salman bin Abdulaziz Al-Saud
The Custodian of the Two Holy Mosques



His Royal Highness
Prince Mohammad bin Salman bin Abdulaziz Al-Saud
Crown Prince and Prime Minister

CHAIRMAN'S MESSAGE



Mohammad A. Abunayyan
Founder and Chairman of the Board of Directors

In this historic year marking ACWA Power's twentieth anniversary, we reached many remarkable milestones signifying unparalleled success in terms of both performance and growth.

Dear stakeholders,

Allow me to present ACWA Power's Integrated Annual Report for the year 2023.

This year marks ACWA Power's twentieth anniversary, wherein and after the blessing of the Almighty, we achieved many remarkable milestones signifying unparalleled success in terms of both performance and growth.

As a proud Saudi company in our core, we are honoured to be empowered by the Kingdom of Saudi Arabia's Vision 2030. Envisioned, launched, and being executed under the visionary leadership of King Salman bin Abdulaziz Al-Saud, the custodian of the Two Holy Mosques, and HRH Prince Mohammed bin Salman bin Abdulaziz Al-Saud, the Crown Prince and Prime Minister, Vision 2030 has also set a strategic framework and ambitious targets for decarbonisation and transitioning to a more sustainable energy mix. We are proud to play a leading role as a national champion together with our major shareholder, the Public Investment Fund (PIF), in this very ambitious yet achievable energy transition.

ACWA Power, a journey propelled by ambition...

Two decades ago, we started out as a small team in the Kingdom with nothing but ambition, drive, and a blueprint to seize the opportunities to develop public-private partnership projects in utility-scale electricity generation and water desalination in the Kingdom of Saudi Arabia and with a vision to deliver power and water reliably, responsibly and at the lowest possible cost.

Having successfully executed some iconic projects in our home market in our first years, including rolling out the first Reverse Osmosis (RO) seawater desalination at scale, we have expanded our operations to 11 other countries since 2010. From a start-up, we have now become the largest private producer of desalinated water in the world, a leader in renewable energy, and first mover in at-scale green hydrogen production. We achieved our leadership position while repeatedly setting world records for both the lowest tariffs and the scale of our solar PV, Concentrated Solar Power (CSP), wind and RO seawater desalination projects.

Not surprisingly, there have been considerable challenges along our path, not least the 2007-08 global financial crisis; the Covid pandemic and its aftershocks; global geopolitical tensions, but we have maintained our progress, year-on-year. It is a great testament to the commitment and resilience of the ACWA Power family and our business model, that we have overcome these setbacks and maintained our course.



Project: Noor Energy 1

A record year to cap-off our 20-year journey...

2023 was a record-breaking year for the company, marked by the execution of 16 offtake agreements mainly in the Kingdom, the United Arab Emirates and the Republic of Uzbekistan, where we also broke ground on our second green hydrogen project. We achieved financial closure of 12 projects with a value of SAR59 billion, the largest in our history, including the Neom Green Hydrogen Project, the world's largest green hydrogen and ammonia production facility that is under construction.

These achievements, coupled with new projects achieving their commercial operation dates and starting to generate stable returns within our operating portfolio, contributed to our strong financial results in 2023. Consequently, our earnings per share to equity holders of the parent increased year-on-year by 7.6% to SAR 2.27.

Since the IPO, we have distributed SAR1.2 billion cash dividends to our Shareholders (2021 and 2022 payouts) with successively increasing amounts in line with our guidance then.

For 2023, with a very ambitious growth pipeline ahead of us that will see our equity commitments double from the levels we anticipated during the IPO, ACWA Power's Board of Directors resolved to recommend to the General Assembly a cash and non-cash bonus share distribution in order to optimise our cash utilisation in the eve of this unprecedented growth without impacting the total distribution value to our shareholders.

continuation

Setting us up for our ambitious 2030 growth plan...

Rather than rest on our laurels, as a global leader in the energy transition, this is an ideal time to revisit our strategy with the opportunities presented by the global shift towards cleaner energy sources. In June 2023, we announced our new growth strategy, which is to triple our Assets Under Management to USD 250 billion by 2030, and to become one of the largest and leading players in renewable power and sustainable production of green hydrogen in the world, while maintaining our world leadership in water desalination.

ACWA Power, as a Saudi National Champion, is committed to supporting the realisation and execution of the Kingdom's decarbonisation and energy transition programme under the leadership of the Ministry of Energy and HRH Prince Abdulaziz bin Salman bin Abdulaziz Al-Saud.

We expect our home market to continue to account for over half of our portfolio by 2030, while at the same time, we will continue to grow our operations internationally including in the People's Republic of China, where we benefit from more than 15 years of established and long-term relationships with a multitude of financial and commercial entities.

We are in the business of providing essential services to many communities in the Middle East, Africa and Asia and it is gratifying to know that we are contributing to improving the standard of living of over 100 million people.

A very strong people bench...

With our exceptionally competent organisation driven by innovation, entrepreneurship, and a passion to deliver, ACWA Power is blessed with the availability and readiness of a highly talented people bench for a seamless succession across the Company. There is no better demonstration of this than our two inhouse C-level appointments to the positions of the Chief Financial Officer (CFO) and Chief Operations Officer (COO) or, more recently, the filling of the newly created Geo Head positions for our four business clusters from within our ranks.

This year we welcomed our new Vice Chairman and Managing Director, Raad Al-Saady, and our new CEO, Marco Arcelli. Raad is already an accomplished ambassador for ACWA Power, cultivating valuable and enduring relationships with our myriad stakeholders, and continuing his stellar previous experience representing the Kingdom on the world stage. Marco, on the other hand, is a veteran industry leader with three decades of international experience in energy and infrastructure, retail, and digital innovation. As an energy leader, he has held various top leadership roles in the strategic positioning and growth of multinational companies. Marco also mentors organisations that support women in business and nurture young talent.

Where we are empowering locally to succeed globally...

As we continue to grow at an accelerated and sustainable pace, our goal is to continue leading the market by enhancing local content, not only within the Kingdom but across all the regions where we operate.

In the Kingdom, we have consistently surpassed our targets for local content by encouraging our EPC (Engineering, Procurement, Construction) contractors and OEMs (Original Equipment Manufacturers) to establish operations locally, while also supporting the local companies looking to expand their reach globally.

Our ongoing commitment to our flagship project, the Energy and Water Academy (EWA), remains unwavering as we continue to invest in its growth. Since its establishment in 2009 as a non-profit vocational training institute in Rabigh, Saudi Arabia, to support localisation of technical fields, EWA has evolved into a powerhouse that offers technical training across 18 diverse industrial specialties, including safety, renewable energy, and water desalination, to the young men and women of the Kingdom. In the past 15 years, EWA has graduated over 15,000 young Saudis who are now pursuing successful careers, not only within ACWA Power but also in other regional and international companies. Recognised by numerous awards and accredited by reputable organisations, EWA is a testament to our dedication to excellence.

I am delighted to see that EWA is now the archetype of all other educational initiatives we are undertaking in other countries, including the Shirin College in the Republic of Uzbekistan.



Project:
Ibri 2 PV IPP

Together, they have hit the ground running and been very quick to visit our operations internationally, meeting local teams and partners, and have been building on our foundation, to develop an execution plan to realise ACWA Power's new growth strategy.

I also welcome Abdullah Abduljabbar to the Board. Abdullah brings over 20 years of multidisciplinary experience in the financial sector and so will be a source of sound advice and judgement on investments, strategic planning and corporate finance matters.

Among all this welcoming, Paddy Padmanathan, the former CEO and Vice Chairman of the Board of Directors of ACWA Power, retired from his executive and director positions after a long and dedicated service to the Company wherein his leadership was instrumental to its growth and success. On behalf of the Board, and the entire ACWA Power family that he has played a very critical role to build into what it is today, I once again wish him well and good health in his retirement.

We all recognise the primary importance of people in our plans for growth and are proactively taking the necessary steps to ensure the sustainability of our strengths even as we carry our business beyond the Kingdom's geographical borders. I am confident that the men and women at ACWA Power will continue to innovate, stay ahead of technological advances, and forge essential partnerships to successfully execute our ambitious growth strategy.

Gratitude

As we reflect on the past year's remarkable growth, I extend my sincere gratitude to all our stakeholders who have played a vital role in our success. I am deeply thankful to our esteemed leaders, The Custodian of the Two Holy Mosques King Salman bin Abdulaziz Al-Saud, and HRH Prince Mohammed bin Salman bin Abdulaziz Al-Saud, Crown Prince, and Prime Minister of the Kingdom of Saudi Arabia, for their visionary leadership.

I also express my appreciation to HRH Prince Abdulaziz bin Salman bin Abdulaziz Al-Saud, Minister of Energy, HE Khalid Al-Falih, Minister of Investment, and their respective ministries and associated enterprises, as well as HE Yasir Othman Al-Rumayyan and the PIF, for their unwavering support of our growth journey. We thank the governments of the other countries where we operate, for their trust in us as a reliable and sustainable provider of power, water and green hydrogen and fuels. Special thanks go to all our off-takers, EPC contractors, suppliers, advisers, and financial partners for their crucial support; we remain committed to delivering value for them and their communities.

Finally, on behalf of the Board of Directors I would like to thank every member of the ACWA Power team for their hard work and dedication during the year; it has given us an excellent platform for our future growth and development.

Mohammad A. Abunayyan
Founder and Chairman of the Board of Directors

A HISTORY OF AMBITION

During our first 20 years, ACWA Power's drive and ingenuity have broken world records repeatedly in renewables and water desalination, in terms of both project scale and tariffs, thus realising our ambition to be a leader in energy transition at home and beyond.

2004

- IPPs and IWPs in the Kingdom
- Five projects in the Kingdom

SAUDI STARTUP

- **Introduction of reverse osmosis in water desalination**
- Ramping up projects and operations in the Kingdom

2010

GOING INTERNATIONAL

- **Development of large scale renewable projects: CSP, PV, wind**
- Set a new global benchmark for lowest renewable tariff
- Expansion into **11 countries**[1]

2018

LEADING ENERGY TRANSITION

2021

تداول السعودية Saudi Exchange

SUCCESSFUL IPO

250 times oversubscribed
SAR 4.5 billion raised

Largest private producer in water desalination

First mover in green hydrogen

Rapid growth in renewable portfolio

- Elimination of coal
- Breaking tariff records[2] repeatedly
- Giga Projects[3]
- Innovation and R&D

2023

ACWA POWER 2.0

A world leader in renewables, water desalination and green hydrogen.

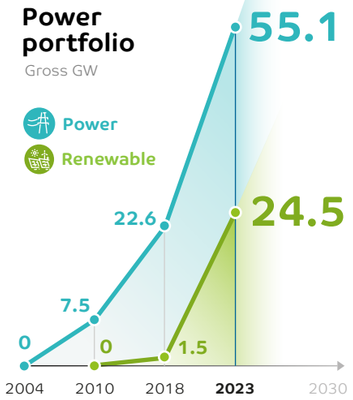
- Partner of choice
- Thought leader
- Employer of choice
- Aim to triple AUM to USD 250 billion by 2030

Tariffs reduction

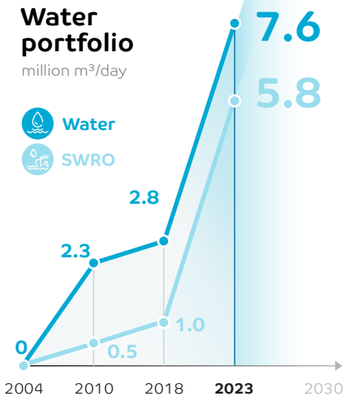
Solar PV	82.6% ▼	(2015–2020)
CSP	61.4% ▼	(2012–2017)
Desalinated water	58% ▼	(2009–2023)

1 Greenfield/acquisitions.
2 In renewables and water desalination.
3 Development of green hydrogen in Neom and multi-utilities at Red Sea.

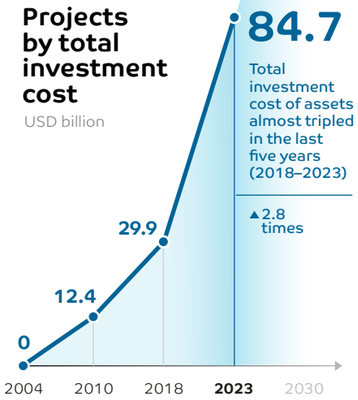
Power portfolio
Gross GW



Water portfolio
million m³/day



Projects by total investment cost
USD billion



Total investment cost of assets almost tripled in the last five years (2018–2023)

▲2.8 times

2023 HIGHLIGHTS

ACWA Power is now 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), a world class leader in energy transition, and first mover in green hydrogen.

ACWA Power 2.0

We announced our new growth strategy with the aspiration to triple our assets under management to

$250 billion
by 2030

Our portfolio[1]

as at 31 December 2023

81 assets

- **41** operational
- **22** under construction
- **18** in advanced development

12 countries

AUM[2]
SAR 317.8 billion
(USD 84.7 billion)

Gross Power Capacity
55.1 GW

Operational portfolio
30 GW
2022: ~25GW

5.5 M m³/day
2022: ~4M m³/day

Water
7.6 million m³/day

44.5% of our gross power production capacity

BESS[3]
6.5 GWh

Renewable energy capacity
24.5 GW

Contracted NH_3
1.2+ million tonnes pa

Some of our awards in 2023

Sustainable Energy Company of the Year
Sustainable Middle East Excellence Awards
ACWA Power

Desalination Plant of the Year
Global Water Summit
Al Taweelah IWP

Hydrogen Impact Investment Awards
The Neom Green Hydrogen Project

Desalination Project of the Year
MEED Project Awards
Al Taweelah IWP

A record year

12 financial closes | **SAR 59 billion**

largest in the company's history

Signed

13 PPAs | **2 WPAs** | **1 HPA**

Net additions during 2023 (change vs. 2022)

+13 assets

AUM
+ SAR 48 billion

Power
+10.7 GW

Renewable power
+7.1 GW
(of + 10.7 GW)

Water
+1.4 million m³/day

Key events



Broke ground for the 3,000 tonne per year green hydrogen project, the second in our portfolio, in Uzbekistan.



Inaugurated Noor Energy 1 in UAE, the world's largest single-site CSP plant with a total capacity of 950 MW (CSP + PV).



Sudair PV IPP, one of the largest single-site solar PV plants in the world at 1,500 MW, achieved commercial operations for 75% of its capacity during 2023, and for full capacity subsequently in January 2024.



Inaugurated Jazlah Water Desalination Company, the first large-scale integrated water desalination – Solar PV project in Saudi Arabia, with a capacity of 600,000 m³/day.

[1] Based on gross capacity.
[2] Assets under management represents total investment cost of projects in the portfolio.
[3] Battery Energy Storage System "BESS"; BESS Nameplate DC installed capacity.

2023 HIGHLIGHTS

Key figures



Some of our awards in 2023

The Sustainability Award
The Global Green Project Finance

Global Green Deal of the Year
PFI Awards 2023

ARC Foundation Gold Award Honor Award
Annual Report 2022

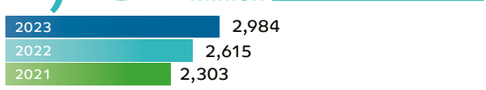
ESG Programme of the Year
Saudi Capital Market Awards 2023

[1] Before impairment loss and other expenses.
[2] Attributable to equity holders of Parent.
[3] The Company's equity commitments are based on successful bidder announcement, or where a bid is negotiated based on project award agreements (collectively "Advanced Development Projects") and represent ACWA Power's share of base equity and EBLs for each project, as approved by the Board Executive Committee (BEC) of the Company. The equity commitment amount does not represent the amount of equity invested but what the Company is committed to contribute. Please note that equity commitments are subject to change until underlying projects achieve their respective financial closes, which may take longer than a full financial year in some circumstance.
[4] We have restated employee numbers for 2023 and previous years and now base them on permanent full-time employees only.

Financial results for 2023

Operating income[1]
SAR million

SAR **2,984** million — 14 % ▲



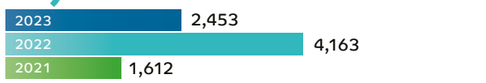
Net profit[2]
SAR million

SAR **1,662** million — 8 % ▲



Parent Operating Cash Flow (POCF)
SAR million

SAR **2,453** million — 41 % ▼



Equity commitments[3]
SAR million

SAR **5,787** million — 30 % ▲



Parent net leverage/POCF

5.50x — 3.4x ▲



Safety

Lost Time Injury Rate (LTIR)

0.01



The Group accumulated 72 million man hours during 2023 with no fatalities and a Lost Time Injury rate (LTIR)of 0.014 (rounded up to 0.01 in reporting), which was 22% lower versus 0.018 (rounded up to 0.02 in reporting) in 2022, due to lower number of lost time injuries

Emissions

CO_2e intensity of gross electricity generation, t CO_2e / MWh

0.44



→ Note: emissions data have been restated based on new methodology (see About this report on the first page).

Employees

At year-end we had

3,701 employees
(up from 3,199 in 2022)

We have increased the proportion of women in our workforce from 7.2% in 2022 to

10.1% in 2023

and ended the year with

2,074 local employees
(56% of our total workforce).

Power and water availability

Power availability, %

92 %



Water availability, %

96 %



Innovation

Filed

15 patents filed

36 live projects[1]

[1] Project levers include pilot and demo plants, collaborative R&D, start-ups and internal innovation.

Environmental projects

We planted

200,000 trees in the Kingdom

3,280 trees in other countries

VICE CHAIRMAN AND MD'S MESSAGE



I was thrilled to join ACWA Power in 2023. From the outset, it was clear that my personal ambitions align perfectly with those of ACWA Power, and I am excited to contribute to the Company's growth as a major global player in what we do.

I was particularly attracted by the quality of the people, epitomised by the Chairman, who have grown ACWA Power, from a start-up in 2004 to being at the forefront of the energy transition globally, leading the world in water desalination, and pioneering green hydrogen at scale. While the business may becharacterised by its physical assets and plants, our success depends fundamentally on the quality of our people.

Strategy 2.0

2023 was a record year for the Company in all aspects of the business. At that point, many companies would have looked to continue the existing momentum, but at ACWA Power we have decided to accelerate while at our best.

Since I joined, I have been working closely with the our leadership team and have headed the strategy task-force in drafting ACWA Power's Strategy 2.0, which has been approved by the Board of Directors. ACWA Power 2.0 is the next stage in our exciting journey towards being a global leader in energy transition.

As part of this mandate, we formulated our growth strategy to triple our assets under management by 2030 and to delegate authority across our management teams. We have updated our people and funding strategies to enable this ambitious growth target. The team at ACWA Power is confident and excited as we embark on this ambitious journey.

How we will reach our goal

To achieve our goal, our focus remains to be on people. We will be nearly tripling the size of our workforce and all of us will have to be the best version of ourselves. That entails ambition, talent, commitment, and resilience. It also requires a new organisational structure, creating a new layer of empowered, senior and engaged managers who have the authority, and responsibility, to deliver on stakeholder expectations in our operating regions. We will be hiring carefully, engaging people in our mission, and giving them unique career opportunities within our Company.

When we are at our best, we are local in every country where we operate. We are most keen to maximise localisation efforts, aiming to stimulate local economies and delegate decision-making to our local teams. This is integral to our growth strategy.

Our innovative mindset and strategic risk-taking have propelled the Company to its current position. We are committed to preserving this DNA that investors have placed their trust in, and to ensuring that our vision will be realised. ACWA Power's reputation for ingenuity will undoubtedly endure.

Taking proactive steps to manage our supply chain, ensuring seamless access to a network that facilitates our growth, is paramount. We're actively collaborating with key suppliers and partners to secure the availability of resources.

Stakeholder management

In addition to overseeing the alignment of expectations between the Board and Management to foster growth, a significant aspect of my role involves nurturing our outstanding and fruitful relationships with governments and their agencies, especially those with ambitious energy transition agendas.

At home, in the Kingdom, we align our strategy very closely with Saudi Vision 2030 and work closely with the Ministry of Energy, PIF, and other key stakeholders. I regard ACWA Power as a great ambassador for the Kingdom because it typifies the bold ambition and drive, the imagination and technical flair that characterises our economic and social development.

Internationally, we are recognised as a reliable partner entrusted with spearheading the energy transition agendas for governments in the regions where we operate. Uzbekistan stands as a prime illustration of our ability to cultivate Government-to-Government (G2G) and Business-to-Government (B2G) relationships to drive their renewable energy initiatives forward. We have built a very strong portfolio of largely renewable projects with a total investment cost of around USD 8.4 billion[1].

Our achievements in the Kingdom and other locations serve as a testament to our ability to deliver on our objectives as we aim to penetrate additional growth markets. I look forward to fostering these relationships with governments and various stakeholders and to honouring our existing commitments, and to capturing new opportunities.

[1] As of 31 December 2023.

Growth markets

Our home market continues to be our primary growth market, especially with the recent announcement of an accelerated renewable target by 2030. We are directing our local resources towards spearheading one of the world's most ambitious renewable energy programmes.

The Republic of Uzbekistan and Central Asia have demonstrated a strong commitment to achieving their decarbonisation goals. With our proven track record in the region, we aspire to playing a pivotal role in capitalising on the opportunities in these markets and to further contributing to a sustainable future for these nations. Similarly, we will be continuing our expansion in the Middle East and Africa.

Another potential market is the People's Republic of China, which is undergoing one of the most extensive decarbonisation initiatives globally, making it central to our growth aspirations. Since 2009, we have forged robust partnership with Chinese EPC contractors, financiers, and suppliers in many of our projects outside the People's Republic of China. We look to nurture these relationships, along with solid G2G connections, as we look to grow our business within China, not just in the renewable space but also in water desalination and green hydrogen.

Being on the Board, working with the executive team, and being engaged in the commercial operations, gives me an opportunity to continue to link boardroom thinking and decision-making with operations on the ground. This is a very exciting time for ACWA Power as we begin our ambitious new chapter, and I am confident that we will continue to develop our team and resources to achieve our targets.

Raad Al-Saady
Vice Chairman and Managing Director

Energy transition takes ambition...

ACWA Power aims to be a world leader in renewables and green hydrogen by 2030

Sudair PV IPP, the Kingdom, is currently the largest operating single-site solar PV plant in the Kingdom and one of the largest of its kind in the world at a capacity of 1,500 MW.

WHO WE ARE

ACWA Power is a Saudi-listed company and the world's largest private water desalination company, the first mover into green hydrogen, and a leader in energy transition.

Registered and established in 2004 in Riyadh, Saudi Arabia, ACWA Power employs over 3,700 people and is currently present in 12 countries in the Middle East, Africa, Central Asia and Southeast Asia. ACWA Power's portfolio comprises 81 projects in operation, advanced development, or under construction with an investment cost of SAR 317.8 billion (USD 84.7 billion), and the capacity to generate 55.1 GW of power and produces 7.6 million m^3/day of desalinated water, delivered on a bulk basis to address the needs of state utilities and industries on long term, offtaker contracts under utility services outsourcing and Public-Private-Partnership models.

Chairman	**Mohammad Abunayyan**
Vice-Chairman and MD	**Raad Al-Saady**
CEO	**Marco Arcelli**
CFO	**Abdulhameed Al Muhaidib**
Employees	**3,701**

Our vision

To ensure the ingenuity and entrepreneurship of the private sector and make electricity and desalinated water in a reliable and responsible manner to support social development and economic growth.

By 2030, to be the best employer in the region, the thought leader in our industry, and the preferred partner for growth in the countries where we operate.

Our mission

Deliver low cost power and desalinated water reliably and responsibly.



Our values

We're committed to energy transition from carbon-based fuels to renewables and apply ambition across all our activities and operations to achieve net zero emissions by 2050

Safety

- We put safety first! We are committed to protecting the well-being of our employees, partners, plants and the communities in which we operate.
- We find sustainable solutions for our business to protect the environment for generations to come.

Safety is fundamentally important to us and during 2023 we made further progress on our systems and training. Zero harm in the workplace remains our core goal.

Marco Arcelli
CEO

People

- We treat our employees and partners with respect and professionalism, fostering a working environment where people can contribute, innovate and excel.
- We work together in collaborative and inclusive teams, showing support for each other to achieve client, personal and company goals.
- We embrace integrity and transparency by practising the highest professional and ethical standards towards our clients, communities and one another.

Our most important asset is, of course, our people; their ambition, energy and skills will determine our success.

Faisal Jadu
Head of People & Culture

Performance

- We are committed to excellence in our business and operations. We set and achieve ambitious goals by constantly raising the bar of our performance.
- We hold ourselves accountable for taking ownership to achieve superior results.
- We are bold, passionately taking on challenges with speed and agility, quickly adapting to our environment in the relentless pursuit of growth and great results.

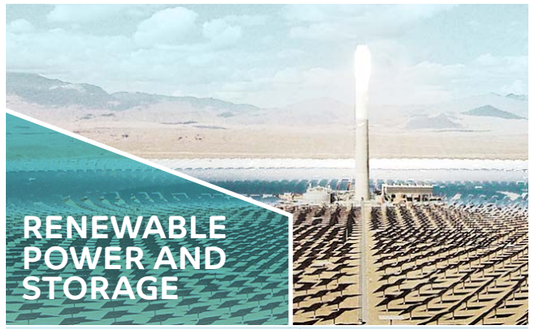
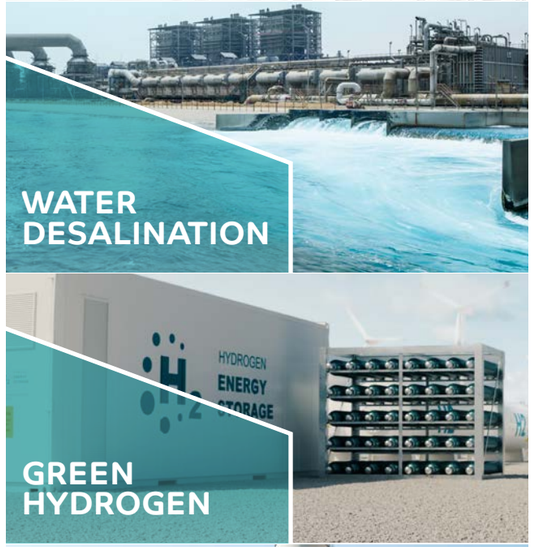
2023 was another year of remarkable progress for ACWA Power and I am delighted we have posted record results.

Abdulhameed Al Muhaidib
Chief Financial Officer

WHAT WE DO

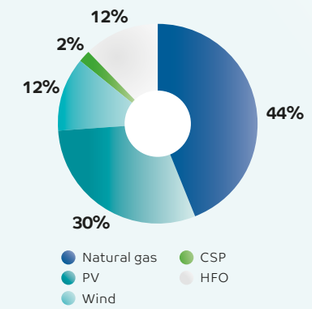
Today ACWA Power is an acknowledged leader in energy transition, the largest private water desalination company in the world (by gross capacity), and first mover in green hydrogen. We make energy and water more affordable and accessible.

The Company has four areas of operation.

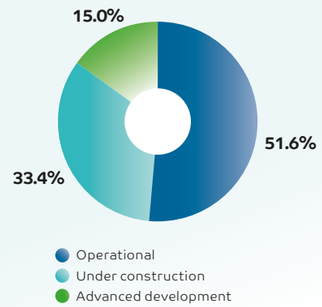
Four technologies we operate	How it works	ACWA Power's position in these technologies	Current portfolio
	Photovoltaic (PV) generates power through the photovoltaic effect whereby electricity is generated when the concentrated light is converted to heat, which drives a steam turbine connected to an electrical power generator. Wind power uses turbines to mechanically power generators for electricity. CSP concentrates the sun's energy onto a receiver at the top of a tower using sun-tracking mirrors (known as heliostats) heating up a fluid which drives a steam turbine connected to an electrical power generator. Battery Energy Storage Systems (BESS) are rechargeable batteries that can store energy from different sources and discharge it when needed.	ACWA Power plans to achieve net zero by 2050 and be a key enabler of the decarbonisation strategy for the Kingdom and the countries where we operate. Over the past decade, ACWA Power has reduced the solar PV tariff by more than 80% and the Concentrated Solar Power (CSP) tariff by more than 60%. Energy storage is a vital solution, giving flexibility to renewable power generation and making it more sustainable. Storage is deployed in our projects in the form of BESS or CSP technology. Today our portfolio includes the larget single-site CSP and off-grid BESS facilities in the world.	**24.5 GW** PV – **16.4 GW** Wind – **6.8 GW** CSP – **1.3 GW** BESS – **6.5 GWh**[1]
	Reverse Osmosis (RO) is an energy-efficient process for sea water desalination and uses semi-permeable membranes and pressure to separate salts from water. Thermal desalination is the process of boiling water, using a vacuum distillatory, at less than atmospheric pressure.	ACWA Power is the largest private water desalinator in the world and has 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. ACWA Power has shifted from thermal desalination to SWRO, reduced the water tariffs by 58% and reduced the Specific Power Consumption required to desalinate per m^3 of water by 87% in a decade.	**7.6 million m^3/day** SWRO – **5.8 million m^3/day** Thermal – **1.8 million m^3/day**
	Green hydrogen and its derivatives are the new renewables. The electrolysis process passes a strong electrical current through a tank of water (H_2O), to split the molecules into its two constituent elements, and then converts the hydrogen into ammonia for ease of transport.	ACWA Power is first mover in at-scale green hydrogen and is constructing the world's biggest green hydrogen project in the NEOM region. This makes us, along with our partners, the largest player in green ammonia, with the NEOM Green Hydrogen Project and our second project in Uzbekistan, catering to fertilisers locally and for export in the future. Several MoUs have been signed to develop green hydrogen projects in Indonesia, Thailand, Egypt, and Uzbekistan.	**1.2+ million tonnes/year of NH_3** **223,000 million tonnes/year of GH_2**
	Gas power plants produce less emissions compared to oil or coal and use turbines to ignite gas to produce combustible gases to power generators.	Flexible generation currently in our portfolio is largely represented by Combined Cycle Gas Turbine (CCGT) assets and will remain a viable technology alternative in emerging markets given the growth prospects in these economies. We currently have four Heavy Fuel Oil (HFO) assets, one of which is being converted to an SWRO desalination plant. We are exploring various options with offtakers for the three other assets to make them more efficient, with less emissions.	**30.6 GW**

[1] BESS Nameplate DC installed capacity

Power split by technology (project cost)



Projects by total investment cost



ACWA Power's assets are either Operational, Under construction, or in Advanced Development (with offtaker agreements or project's financing in place).

WHERE WE OPERATE

ACWA Power has most of its assets in the Kingdom, a considerable presence in the Middle East and Central Asia and plans to grow significantly in China.

- Renewable power
- Flexible generation power
- Desalinated water
- Green hydrogen

Top five countries represent 91%
of total investment cost of projects

the Kingdom and UAE represent 73%
of total investment cost of projects

81 assets

12 countries
with offices in 14 countries

Total capacity

55.1 GW
(including advanced development projects)

7.6 million m³/day
water

Total investment cost of projects

SAR **317.8** billion

- Home market
- Target markets for growth outside the Kingdom
- Existing market

Middle East

21 assets

- Jordan
- Bahrain
- UAE
- Oman

Capacity

2.6 GW	9.1 GW
2.9 million m³/day	

Total investment cost: SAR 64.4 billion

Central Asia

17 assets

- Kazakhstan
- Azerbaijan
- Uzbekistan
- Turkey

Capacity

5.3 GW	2.4 GW
3 Ktons/year	

Total investment cost: SAR 36.0 billion

Africa

15 assets

- Egypt
- Morocco
- South Africa

Capacity

2.5 GW

Total investment cost: SAR 26.6 billion

Kingdom of Saudi Arabia

26 assets

Capacity

14.0 GW	19.0 GW
4.7 million m³/day	220 Ktons/year

Total investment cost: SAR 190.4 billion

China and Southeast Asia

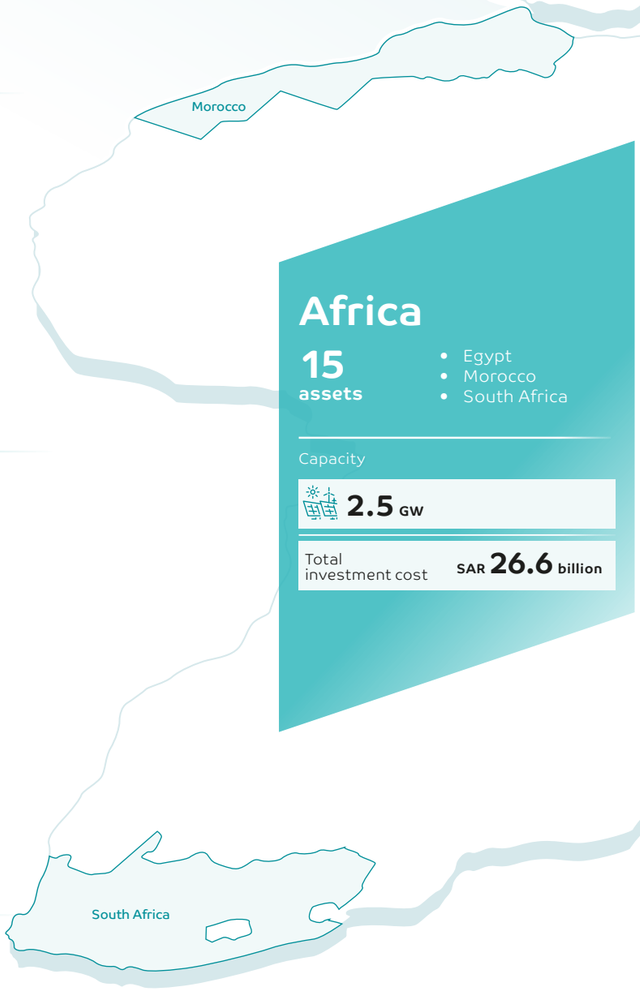
2 assets

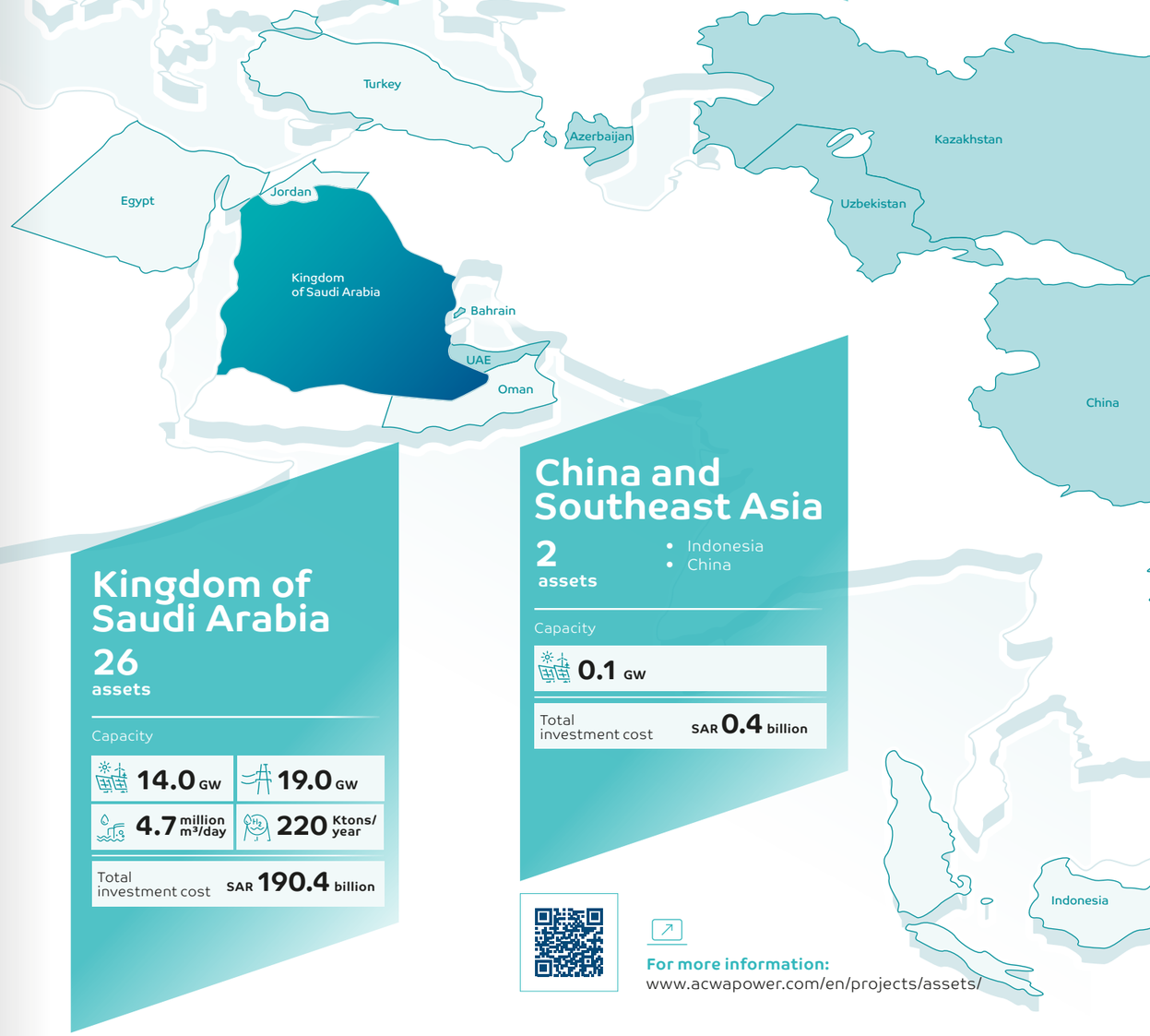
- Indonesia
- China

Capacity

0.1 GW

Total investment cost: SAR 0.4 billion





For more information:
www.acwapower.com/en/projects/assets/

Energy transition takes ambition...

ACWA Power aims to triple assets under management by 2030

Noor Energy 1, Dubai, at 950 MW, is the largest single-site concentrated solar power plant in the world.

CEO'S MESSAGE



Marco Arcelli
CEO

The year 2023 stands out as an historic waypoint in ACWA Power's rapid journey, as we achieved a record-breaking feat in the growth of our business.

My move to the Kingdom of Saudi Arabia was a decision deeply rooted in my admiration for the Kingdom's ambitious Vision 2030 and ACWA Power being a key enabler of one of the largest decarbonisation programmes in the world. And what I have witnessed during my first year, the speed and magnitude of realising the vision has been nothing short of spectacular and it seems that a day in the Kingdom is like a week elsewhere.

Today, ACWA Power is the largest private power producer in the Middle East, the largest water desalination company in the world[1] and first mover in green hydrogen. We are the only company in the world that is a leader in all three technologies. This is a truly remarkable achievement in just 20 years since its inception and stands as a testament to the vision, unwavering belief, and collaborative spirit of our leaders, people, and partners.

2023: A booster year

The year 2023 stands out as a historic waypoint in ACWA Power's rapid journey, as we achieved a record-breaking feat in the growth of our business. We added 10.7 GW of power, 1.4 million m^3/day of desalinated water, 3.7 GWh^2 of Battery Energy Storage System (BESS) capacity, and 3,000 tonnes/year of green hydrogen to our portfolio of assets under management across all four business verticals, renewables, water desalination, green hydrogen, and flexible generation, committing an additional SAR 5.8 (USD 1.5) billion in equity.

This significant achievement maintains our robust growth trajectory and the effectiveness of our strategic initiatives in capturing new opportunities and expanding our geographic footprint, while decarbonising our operations and the countries where we operate.

The year also marks an unparalleled milestone in the history of ACWA Power, as we achieved a record-breaking 12 financial closes, amounting to a staggering total investment cost of SAR 59 billion (USD 15.7 billion), including the landmark Neom Green Hydrogen Project. Despite the prevailing economic challenges, our ability to secure significant investments confirms our standing as a partner of choice in the global energy sector.

In the renewables space, we added solar PV and wind projects in the Kingdom, Uzbekistan and South Africa, totalling 7.1 GW, a 41% year-on-year increase, and brings our renewable capacity to almost 45% of the total power capacity. This includes the three mega-scale PV projects with a total capacity of more than 4.5 GW from within the PIF renewable pipeline, four wind and three PV projects in Uzbekistan with a total capacity of 2.5 GW, and one 150 MW PV project in South Africa.

We inaugurated the 950 MW Noor Energy 1 hybrid CSP/PV solar plant on the sidelines of COP-28 in the UAE and the project now awaits the official commercial operations certificate from Dubai Electricity & Water Authority (DEWA) for the final phase. Similarly, the 900 MW DEWA V PV in the UAE is now operating at full capacity awaiting the commercial operations certificate for the final phase from DEWA.

Meanwhile in the Kingdom, having brought the last phase of the project to operations in early 2024, the 1,500 MW Sudair PV IPP is now the largest operating single site PV plant in the world. And thanks to our work on providing all the utilities as renewable-powered solutions with innovative elements of the circular economy, Red Sea Global was able to open the first two resorts of this magnificent new tourist destination. This is probably the largest off-grid, fully renewable powered project in the world, with the largest fully-renewables powered desalination plants and the largest BESS installation of more than 1.3 GW/hour capacity. We are using the wastewater to feed hectares of wetlands and a nursery, turning what was a desert area into a green land as part of the Saudi Green Initiative to plant 600 million trees by 2030.

In water desalination, we signed the WPA for Hassyan IWP in the UAE, setting a record for the lowest levelised cost of water at 0.37 USD/m^3, demonstrating our ability to lower costs by optimising power consumption through the integration of renewable sources of energy and digital technologies in our RO plants.

The project for DEWA will be the world's largest solar-energy powered desalination plant producing 818,000 m^3/day, and a significant contribution to the UAE's anticipated 2030 water capacity targets. Subsequently, during the first quarter of 2024, we achieved financial close, and the project is currently under construction.

Within five months of signing the WPA for Rabigh 4 IWP in the Kingdom, we achieved financial close for the 600,000 m^3/day project. We also inaugurated the 600,000 m^3/day Jubail 3A (Jazlah) IWP, the first large-scale integrated water desalination and solar PV project in the Kingdom.

With completion of the last phases of Taweelah Reverse Osmosis (RO) plant, located in the UAE, and the subsequent issue of project commercial operation certificate, the world's largest RO facility with a capacity of more than 900,000 m^3/day is now fully operational.

In November 2023, we broke ground on the first phase of 3,000 tonne/year green hydrogen project in Uzbekistan, the second in our portfolio. We are in parallel developing the plant so that it will produce 2.4 GW of wind energy to power the production of 500,000 tonnes of green ammonia per year. It took us more than three years to develop Neom Green Hydrogen Project but only one year to break the ground for ACWA Power's next green hydrogen project. This is excellent evidence of how we can scale up and accelerate what we do wherever we do.

Meanwhile, the construction of the world's largest green hydrogen project, Neom Green Hydrogen Project, is underway with most of the hydrogen and power element equipment and structures already commissioned and

[1] Based on gross capacities in GW and m^3 per day.
[2] BESS Nameplate DC installed capacity.

continuation →

partially installed by the EPC contractor following the project's USD 6.3 billion financial close in March 2023. The project is on track for completion and delivery of its first shipment of green ammonia by the of 2026.

We signed PPAs for two large-scale Combined Cycle Gas Turbines CCGT power plants, Taiba 1 and Qassim 1 located in the Madina and Qassim regions of the Kingdom with a production capacity of 1,800 MW for each plant. This conforms with the Kingdom's plan to use natural gas as a transition fuel through highly efficient combined-cycle with carbon capture capabilities.

In November 2023, the 2,400 MW Hassyan IPP in the UAE was commissioned to operate at full capacity following the issue of the plant commercial operation certificate by the offtaker DEWA.

In 2023, the Company made remarkable progress in Health, Safety, Security, and Environment (HSSE), guided by our overarching commitment to embed accountability at the core of our operational ethos. Our concerted efforts, steered by the Safety Executive Committee (SEC) and the global Safety Task Force (STF), have established new benchmarks in safety and well-being, both within the organisation and across our project sites.

Through our dedicated efforts, we successfully reduced our lost-time injury rate in 2023 to 0.01, with the most crucial accomplishment being the absence of any fatalities. Our goal remains to achieve zero harm across the organisation.

The successful achievement of crucial project milestones and the effective implementation of the Reliability of Supply (RoS) framework have enhanced both our under-construction and operational portfolio. These efforts have significantly boosted our consolidated power availability from about 87% to almost 92%. Meanwhile, our desalination plants have maintained historical consolidated availability levels of more than 96%.

The remarkable surge in our business development efforts and enhanced operational efficiency fuelled our robust financial performance in 2023. This led to a significant 14% year-on-year rise in our operating income, reaching a record SAR 2,984 million, while our net profit also saw a notable 8% increase, reaching SAR 1,662 million.

Our 2030 vision

To meet the challenges of climate change and succeed in a competitive global industry, we face a quadrilemma. We need to provide power and water sustainably, affordably, securely, and quickly. Speed is of the essence, particularly given the scale of transition ahead.

To maintain our remarkable growth rate, in June 2023, the Board approved our strategy for 'ACWA Power 2.0'. Under this plan, we aim to triple our assets under management to about USD 250 billion by 2030 and aspire to not only sustain our global leadership in water desalination but also emerge as one of the top worldwide renewable energy firms, including in green hydrogen production.

As a key national partner and significant contributor to Vision 2030, ACWA Power will continue to play a pivotal role in enabling the Kingdom's energy transition through the Public Investment Fund (PIF) strategic partnership, which entails developing 70% of the Kingdom's renewables pipeline. We are already ahead of our interim targets set at the time of the IPO, having identified 13.6 GW of the pipeline within the PIF framework, of which 8.6 GW is currently operational, under construction or in advanced development stages. Our home market represents 60% of our AUM and will remain our core growth market through 2030 and beyond.

Our distinguished track record uniquely positions us to explore opportunities beyond our home market as a reliable leader in spearheading the energy transition. The Republic of Uzbekistan serves as a notable illustration of a country rapidly transitioning its energy mix to renewables, with a vision similar to that of the Kingdom and is currently our largest development outside the Kingdom. With other Central Asian nations following suit, this region is a key market in our growth trajectory.

Our expansion into the Chinese market is crucial for the success of our growth ambition for three main reasons. First, The People's Republic of China is undergoing a massive decarbonisation programme, adding last year alone 290 GW of new renewable capacity, and we pride ourselves in supporting and enabling the energy transition in such growing economies. Second, we have operated in The People's Republic of China to support our international operations since 2009, and Chinese companies are already some of our long established partners on our projects, so we know the context, we have relationships and partnering with some of them in The People's Republic of China can both accelerate our growth and reduce the execution risks. Third, the scale China offers limits the number of countries where we need to operate by 2030, enhancing our focus and execution.

Moreover, the opportunities in The People's Republic of China extend beyond renewable projects; there are also prospects in water desalination, an area where we have proven expertise. Additionally, there is significant potential for GH_2 that can be consumed locally or exported to neighbouring countries.

In our pursuit of growth and excellence, we are committed to becoming the best employer in the region, the thought leader in the industry, and the preferred partner for growth in the countries where we operate.

Our people are our greatest asset and the engine to drive our growth ambition. During 2023, we rolled out the new People strategy along three themes – capability, culture, and agility, and we have now quadrupled our development budget. Through training, mentorship, and career advancement opportunities, we will foster a culture of excellence, innovation, and inclusivity, where every team member can thrive and contribute meaningfully to our success.

We value ingenuity and integrity and nurture the next generation of leaders and we want to equip our colleagues with the hard and soft skills that will help them become champions of the industry and lay the groundwork for a sustainable future. We have also rolled out an innovative flexible benefit programme and improved work-life balance guidelines to make ACWA Power the best employer wherever we operate.

We will work closely with our suppliers and partners to enhance transparency, efficiency, and sustainability across our supply chain. To lead some of the largest decarbonisation programs in the world, we need to be proactive in managing the scale and speed of growth. During 2023, we entered into strategic framework agreements with key suppliers and equity partners, and by fostering strong and collaborative relationships, we will ensure that we have access to the highest quality capital, materials, services, and solutions, to deliver exceptional value to our customers and stakeholders.

Innovation is at the heart of everything we do. We scout the world for the best technologies, the most innovative solutions, and bring them together to serve the Kingdom and the world. We will continue to collaborate with leading research institutions, industry partners, and start-ups to develop and commercialise innovative solutions to stay ahead of the curve in leading the energy transition.

Our team

Since joining ACWA Power, I have been working closely with Raad Al-Saady, Vice-Chairman and Managing Director, who had joined in January. Raad and I have worked on the new growth strategy and Raad has been particularly active in developing our stakeholder relationships, notably with governments and commercial organisations.

During the year, we have made several key managerial appointments, including Thomas Brostrom, Chief Investment Officer, Faisal Jadu, Head of People and Culture, and Simon Watson, Head of Health, Safety, Security and Environment.

I am very pleased with our cooperation and the progress in all the initiatives that we have launched, and I would like to thank the whole of our management team and all the ACWA Power employees and families for their commitment and energy during the year, for the results we have achieved.



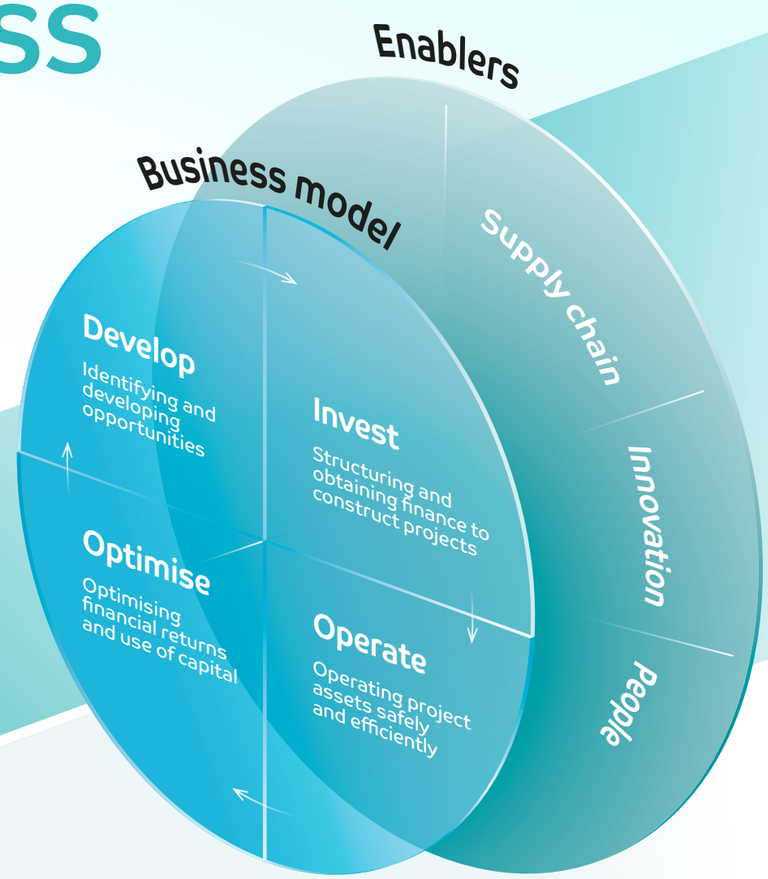
Looking ahead

Our strong results in 2023 lay a solid foundation to build on and deliver our Strategy 2.0 targets, and I look with optimism at 2024 and beyond. We know we have ambitious tasks to deliver across our business verticals in multiple geographies, and I see around me a strong, motivated and committed team which is capable and ready to deliver on them. We are aware of the global challenges surrounding businesses around the world, and we strive to anticipate and manage them efficiently. ACWA Power is not immune to such risks, but we have demonstrated over and again our robust resilience in stressful environments to negotiate headwinds with remarkable success. I am therefore confident that, together with our dedicated over 3,700 people and always supportive stakeholders, from our financing partners to EPC contractors to OEMs, we will continue to meet our ambitious targets and contribute to making this world better and more sustainable, year after year.

Marco Arcelli
CEO

BUSINESS MODEL

Our business model provides a disciplined and structured framework for the identification, funding, creation, management, and financial optimisation of our projects.



Energy transition

- Generating affordable renewable energy and desalinated water.
- Generating capital for stakeholders and future growth.

The four stages of our model are:

The business model typically caters to the entire lifecycle of a project.

Develop

Identifying and developing opportunities which are critical assets in strong growth markets and are long-term contracts with high-quality counterparties and resilient cash flows.

Invest

Structuring and obtaining finance for projects whereby we are lead investor with a significant stake and de-facto control and are scalable investment platforms.

Operate

Operating project assets safely and efficiently, to the highest global standards, through NOMAC, wholly-owned subsidiary of ACWA Power, using economies of scale and synergies.

Optimise

Optimising financial returns through efficient capital structures and refinancing and capital recycling with sell-downs or divestments.

The enablers of our model are:

- Our people
- Our supply chain
- Our EPC partners
- Our innovation

Our ambitious 2030 growth strategy

Our plan is to triple our assets under management and be one of the top three companies in renewables and green fuels, while maintaining our leading position in water desalination, globally, by 2030.

ACWA Power has tripled its assets, in terms of investment cost, over the last eight years, and with continued application of our proven business model, underpinned by our key enablers – supply chain, innovation and people – we are confident that we can scale up in the Kingdom and across our key growth markets and reach our goal.

Business verticals and goals

Renewable power and storage
Global top 3 position

Water desalination
Global leader

Green hydrogen
Global top 3 position

Flexible generation
Enable energy transition

What we want to be

The best employer in the region

The thought leader in our industry

The preferred partner for growth in the countries in which we operate

We aspire to triple our assets under management to

$ 250 billion

by 2030

- We will focus on **four technologies** – Renewables, Flexible generation, Green Fuels, Water Desalination
- We will focus on **four regions** – the Kingdom, Middle East & Africa, Central Asia, and Southeast Asia/China
- We will focus on **China** as a potential key market for investments with local partners
- In Africa and Southeast Asia we will consider opportunities for **consolidation**
- We will enhance our **People, Supply Chain and R&D** capabilities to maintain our edge



MARKET REVIEW

Our home market

The Kingdom is a hub of green energy innovation that will define net zero possibilities for the region and the world and as the largest exporter of low-carbon expertise, it is taking its model beyond borders.

The Kingdom is undertaking one of the world's most ambitious decarbonisation programmes, has a commitment to reach 50/50 renewable energy and a highly-efficient combined cycle in its electricity mix by 2030, and has a target to reducing its carbon emissions to net zero by 2060. ACWA Power is very closely aligned with the Kingdom's plan and has its own target to achieve net zero as a company by 2050. With our expertise in deploying renewables at pace and scale and as a national champion, we are poised to lead The Kingdom's energy transition objectives.

Currently, ACWA Power's home market portfolio consists of 26 assets, valued at a total investment cost of SAR 190 billion, and constitutes over half of our overall portfolio. By 2030, the Kingdom is planned to remain our largest market within our portfolio at a similar level.

Through a strategic framework agreement with PIF, ACWA Power is responsible to deliver 70% of Saudi Arabia's renewable installation by 2030 – PIF renewable programme. By the end of 2023, 13.6 GW of the PIF renewable programme has been identified vs. 11.8 GW targeted by the end of 2024. Currently, 1.5 GW are in operations and the 6.6GW under construction is expected to be completed by the last quarter of 2025.

Recently, The Kingdom's Ministry of Energy (MOE) announced its accelerated target to deploy 20 GW of renewable power every year till 2030[3]. ACWA Power stands ready with the capability to fulfil this accelerated target.

There will be additional competitive bidding space in thermal projects and water desalination. The Kingdom has made its intentions clear to deploy natural gas as a transitional energy source, evidenced by the MOE's recent announcement to add 15 GW within the next two years. In 2023, ACWA Power signed the PPA for two natural gas combined cycle power plants in the Madina and Qassim region, with a total production capacity of 3.8 GW.

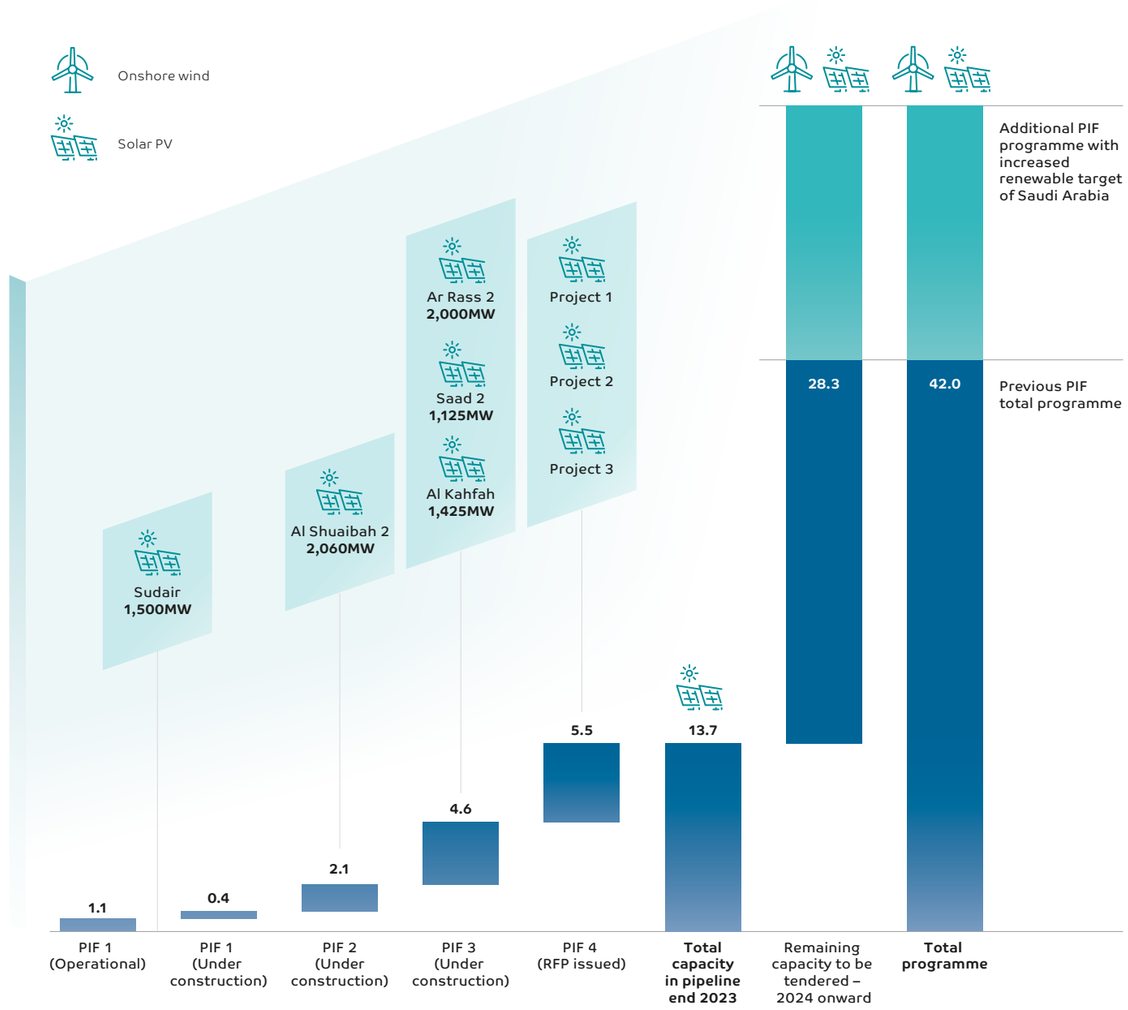
The Kingdom's Portfolio[1]



Technology	KSA
Solar (MW)	12,301
Wind (MW)	1,683
Desalinated Water ('000 m³/day)	4,701
GH_2 ('000 tonnes/year)	220
BESS (MWh)[2]	1,828
CCGT (MW)	12,561
HFO (MW)	6,424
Total Investment cost (SAR billion)	190.3
Total Assets #	26

The MOE has also stated that the Kingdom aims to be a major exporter of green hydrogen globally and is developing international partnerships to develop more green hydrogen projects in the country, in addition to hydrogen mobility solutions, including trains. ACWA Power is already a first mover with the Neom Green Hydrogen Project in partnership with Neom and Air Products.

The Kingdom's renewable energy ambition and PIF programme



[1] Gross capacities of projects that are operational, under construction or in advanced development as at 31 December 2023.
[2] BESS Nameplate DC installed capacity.
[3] https://www.argaam.com/en/article/articledetail/id/1692415#:~:text=Saudi%20Arabia%20aims%20to%20add,of%20green%20electricity%20or%20hydrogen.

Central Asia

The countries of Central Asia, epitomised in our business by Uzbekistan, share a unified vision with the Kingdom in their dedication and urgency to decarbonise their economies through energy mix diversification. This shared objective has not only fostered strong government-to-government relations with the Kingdom but has also positioned ACWA Power as a preferred partner, thanks to our proven track record as a leader in energy transition.

Uzbekistan is currently ACWA Power's second-largest market outside the Kingdom in terms projects by total investment cost, underscoring the company's commitment to the country with a portfolio including 14 projects, 13 of which are fully renewable.
We recently broke ground on a 3,000 tonne/year green hydrogen project which will serve as a pilot project for a 500,000 tonne green ammonia project which aims to reduce 1.5 million tonnes of CO_2 annually. Our portfolio in Uzbekistan was developed over the past four years, demonstrating commitment and speed of execution, and backed by a strong government and bilateral ties.

ACWA Power is currently constructing a 240 MW wind power plant in Azerbaijan, and has very recently singed a MoU with the State Oil Company of Azerbaijan Republic (SOCAR) and Abu Dhabi Future Energy Company (Masdar), to develop 500 MW of renewable energy projects in the Nakhchivan Autonomous Republic of the Republic of Azerbaijan, forging a strong partnership for future development in the country. Earlier in the year, 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.

In early 2023, ACWA Power made an entry into Kazakhstan through a partnership agreement with Republic of Kazakhstan's Ministry of Energy and Samruk-Kazyna, the sovereign wealth fund of Kazakhstan, to lead and develop a 1 GW wind energy and battery storage project within the Central Asian country. Sustainability is a key priority in Kazakhstan's 2050 strategy and the focus is to meet 50% of its energy requirements via alternative and green energy technologies by 2050.

Central Asia Portfolio[1]



Technology	Azerbaijan	Uzbekistan
Solar (MW)		1,400
Wind (MW)	240	3,652
GH_2 ('000 tonnes/year)		3
BESS (MWh)[2]		3,424
CCGT (MW)		1,500
Total Investment cost (SAR billion)	1.1	31.5
Total Assets #	1	14

China

In its efforts to achieve carbon neutrality by 2060, the speed and scale of expansion in China's installed renewable capacity is unmatched. According to the International Energy Agency (IEA), in 2023, China commissioned as much solar PV as the entire world did in 2022, while its wind additions also grew by 66% year-on-year. Due to the gigantic market potential and incentive policies for foreign-funded enterprises, both central government and local governments are actively seeking foreign investment and FDI supported by State-Owned Enterprises (SOEs), presenting a strategic opportunity for the next years.

ACWA Power has enjoyed a long-standing relationship with Chinese firms, collaborating on pivotal projects both within the Kingdom and in other markets. ACWA Power's association with China began in 2009 with the establishment of the Beijing office. Since then, Chinese investors and financiers have contributed a total of USD 10 billion to ACWA Power's global project portfolio, while Chinese EPC contractors, material suppliers, and financiers have participated in 47 projects and signed contracts worth more than USD 30 billion, covering landmark renewable, green hydrogen and seawater desalination projects worldwide.

The Chinese market is pivotal to the success of our growth ambition. Our relationships have been deep at both a G2G and B2B level, therefore de-risking our ability to enter the market and making it one of our biggest priorities. The scale of China supports our ambition to triple our size with a focused approach. We intend to begin on a small scale in China, with our existing partners, acquire expertise in the early years, and then ramp up our efforts to grow further.

The opportunities in China are not only limited to renewable projects, given that there are also opportunities in water desalination, where we have proven expertise. In addition, there is also a big opportunity for green hydrogen in China for the long term in terms of the local demand, as well as the green molecules export to neighbouring countries.

Our strategy includes a thorough initial assessment, identifying the most promising projects, primarily in collaboration with existing partners.

In addition to project development, ACWA Power is committed to continuous learning and adaptation by engaging with Chinese technological advancements and innovation ecosystems. This approach ensures that we remain at the forefront of the energy sector, maintaining our competitive edge in the rapidly evolving global market.



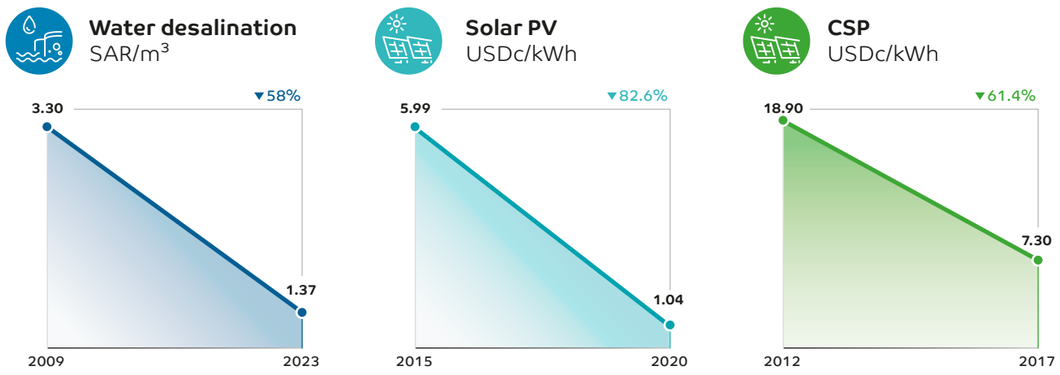
[1] Gross capacities of projects that are operational, under construction or in advanced development as at 31 December 2023.
[2] BESS Nameplate DC installed capacity.

INNOVATION REVIEW

Innovation is at the core of ACWA Power and has been since the Company's inception 20 years ago. It gives us competitive advantage, creates value, and is a vital ingredient in the energy transition because it enables us to move faster and make our plants more energy efficient and sustainable. It also delivers world-beating, low tariffs for offtakers and for the communities in which we serve.

ACWA Power has been leveraging innovation to deliver tangible benefits to offtakers

Tariff reductions achieved across core technologies



Source: Company information

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

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 our 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 we have acquired over time in perfecting this approach gives us the confidence to maintain our leadership status as we embark on our 2030 growth strategy.

Our domains of technology excellence span water desalination, renewables, hydrogen, Battery Energy Storage Systems (BESS), system integration, and digitalisation. With the overarching goal of enhancing energy efficiency in these technologies, we are decarbonising both our existing and future projects. And by harnessing the power of these technologies, we are not only meeting the demands of the present but also shaping the future, towards a greener and more sustainable world.

Partner of choice...

Given our expertise and technological prowess as mentioned above, ACWA Power is the ideal partner for governments and offtakers seeking to implement energy and water projects at scale, by leveraging the latest advances in technology and digitalisation to deliver optimal outcomes. Whether it's enhancing energy security or improving water access while mitigating environmental impacts, partnering with ACWA Power ensures the realisation of the most efficient and effective projects and programmes. Moreover, ACWA Power serves as an invaluable collaborator for technology developers and R&D partners. Through strategic partnerships and co-development initiatives, we provide a unique platform for the development and commercialisation of innovative technologies.

ACWA Power, the bridge between the lab and field

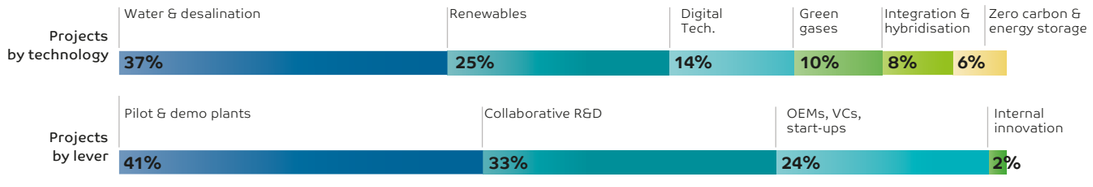
ACWA Power has a structured and disciplined approach to innovation and a roadmap which encompasses energy transition, renewables, storage and green fuels, and water desalination technologies.

R&D and innovation serve as pivotal drivers for value creation within our organisation and provide us with several levers to enhance our competitiveness, including leveraging first-mover advantage and adopting the best new technologies available, while also achieving operational excellence through the optimal utilisation of existing technologies. This requires a dynamic approach to the market at the appropriate time by proactively anticipating game changing developments through active monitoring. To bolster competitiveness with emerging technologies, we engage in co-development initiatives and pilot programmes at our own plants. Simultaneously, we prioritise internal development and collaborative efforts to enhance operational excellence by leveraging existing technologies. This multifaceted strategy ensures that we remain agile and responsive to market shifts while continuously advancing our capabilities.

There are 36 ongoing projects across three business verticals, with a continuing bias to water desalination, where there are significant opportunities for further development, and a spread of initiatives across renewables and digitalisation. The project levers include pilot and demo plants, collaborative R&D, start-ups and internal innovation.

ACWA Power's innovation roadmap covers all aspects of growth strategy

Ongoing projects by technology and initiatives



Thought leader through collaborative R&D...

ACWA Power's strategy for technology innovation and R&D emphasises collaboration and involves partnerships with R&D partners, original equipment manufacturers (OEMs) and start-ups, rather than relying solely on an in-house R&D unit. We partner with leading universities in the Kingdom, technology companies, and strategic partners through an open innovation system.

Aligning with our commitment to driving local economic development and industrialisation, ACWA Power is dedicated to fostering the localisation of technology development within Kingdom. We are contributing to the strategic research agenda in the Kingdom through the Ministry of Energy Innovation Programme and Research Development and Investment Authority (RDIA), which oversees research and development funding in the country. Our successful collaboration with King Abdullah University for Science and Technology (KAUST) in desalination, solar PV and hydrogen will expand to new areas, culminating in the establishment of a joint Clean Energy and Water Desalination Technologies Development Centre.

Through these efforts, ACWA Power not only contributes to the diversification of the Saudi economy but also reinforces our commitment to driving positive socio-economic impact within the communities we serve. Following the model in the Kingdom, we are also building an R&D collaboration network with institutes and partners in the countries where we operate, with the goal of enhancing expertise to facilitate localisation and industrialisation within our key markets.

ACWA Power's increased focus on innovation has led to notable achievements

- #9 most innovative company in the Kingdom (#4 in energy)[1]
- World record tariff in solar PV plants
- Lowest desalination tariff for a plant in the GCC
- World record energy efficiency in water desalination
- Largest fully-renewable autonomous power system with battery storage
- Largest combined PV-CSP plant in the world
- Highest robot density in the industry
- The most advanced at-scale green H_2 project in the world
- Three years of successful technology patent filings (since 2020)
- Sponsored key innovation awards

[1] ACWA Power was ranked the fourth most innovative company in the Kingdom's energy sector, and the ninth most innovative overall by Forbes Middle East.



Our innovation journey

Throughout 2023, we forged 24 MoUs with leading technology firms and organisations worldwide, focusing on desalination, solar PV, hydrogen, and BESS. An additional nine MoUs were secured in the first quarter of 2024.

By the end of 2023, we had filed a total of 15 patents, primarily in desalination but also in green hydrogen and solar PV. Furthermore, we registered three trademarks and completed three IP sprints in the Kingdom.

At ACWA Power, fostering innovation is ingrained in our culture, and we value individuals who challenge conventions, seek new approaches, and take calculated risks. In 2023, we conducted three internal innovation challenges and IP sprints, receiving and evaluating around 150 potential ideas. Additionally, we are committed to promoting innovation globally and organised four external engagements, which yielded over 100 potential ideas.

From its inception as an embedded function with limited resources in 2020, the Innovation and R&D department has evolved into a well-structured business support unit, now reporting to the Chief Technology Officer and overseeing a broader spectrum of streamlined activities. With these accomplishments, the department is primed to contribute to our growth strategy into 2024 and beyond.



ACWA Power, the world leader in water desalination

In a world where access to clean, potable water remains a pressing challenge, with the strain on freshwater resources posed by an increasing population, ACWA Power stands out as the world's largest private company for desalination, dedicated to not just meeting the world's water needs, but to reshaping the very nature of water provision. Over the years, ACWA Power has led efforts to develop innovative solutions, while setting new benchmarks in providing safe drinking water to communities around the globe.

Since 2007, ACWA Power has reduced the levelised cost of water by nearly 45% and has developed highly efficient Reverse Osmosis (RO) technology, used at most of ACWA Power's water assets. Furthermore, numerous projects within the company's portfolio harness renewable energy sources, driving down energy requirements for water purification. Over the past decade alone, ACWA Power has managed to reduce Specific Power Consumption (SPC) at our plants by an outstanding 87%.

ACWA Power's water portfolio currently comprises 19 assets, spread across four GCC countries, with a contracted capacity of 7.6 million m³/day, constituting 20.6% of its total portfolio in terms of project cost. We serve the demand of 20% to 30% of the local population in each of the 4 countries where we operate. All our plants are designed, built, and operated to adhere to Product Water (PW) standards, satisfying the stringent requirements of the world's largest offtakers.

ACWA Power water desalination portfolio[1]

19 assets

4 countries

Contracted capacity
7.6 million m³/day

Capacity in operations
5.5 million m³/day

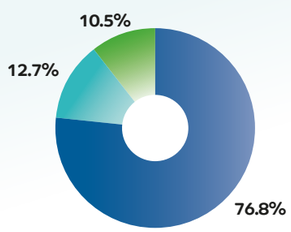
Capacity by region



61.8% KSA
31.6% UAE
4.0% Oman
2.6% Bahrain

ACWA Power produces
30%
of the total desalinated water in the Kingdom

Capacity by technology



Proven track record

the largest SWRO plants in the world (Guinness World Record holder)

the lowest water desalination tariff in the world

the first hybrid solar PV SWRO plant in the world

the largest hybrid solar PV SWRO in the world

the first and only 100% green SWRO plant in the world

[1] As of 31 December 2023.
[2] Seawater Reverse Osmosis.
[3] Multiple Stage Flash distillation (thermal desalination).
[4] Multiple Effect Distillation (thermal desalination).

Our SWRO desalination journey

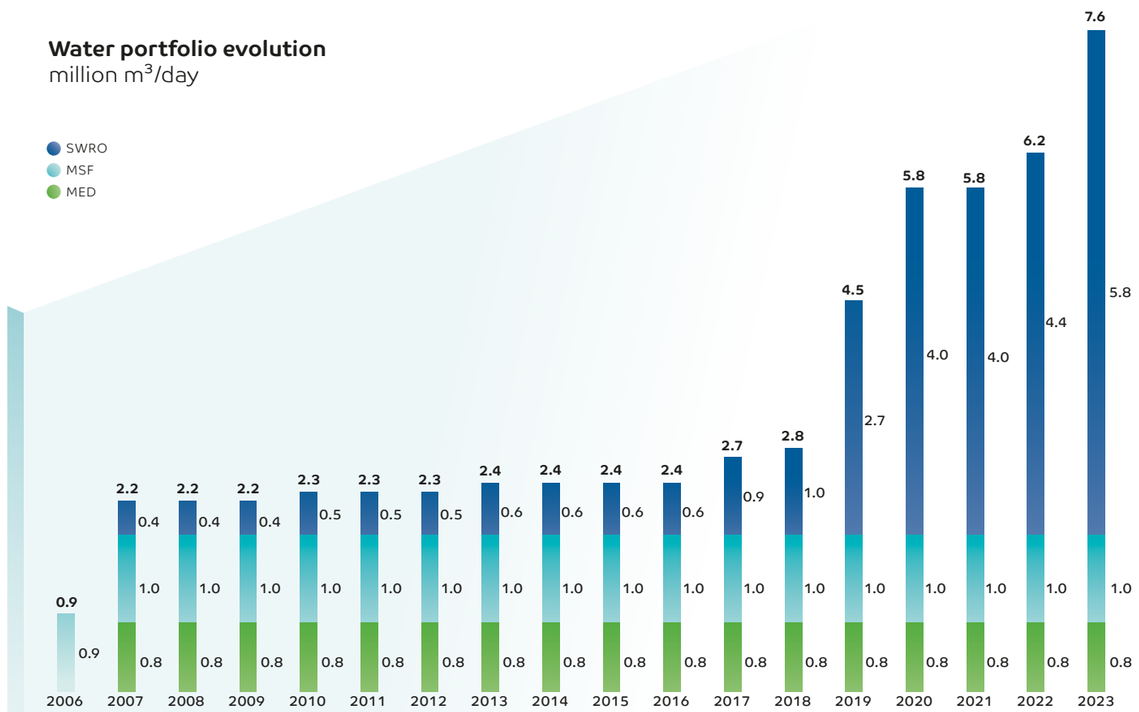
ACWA Power entered the business in 2009, seizing on SWRO as a potential replacement for traditional, oil-fired thermal co-generation methods of desalination, and launching our 150,000 m³/day SEPCO IWP in the Kingdom. This was followed by the development of two large commercial SWRO plants on the west coast of the Kingdom over the next three years. These projects successfully demonstrated efficiency with significantly lower SPC and marked a permanent shift from thermal co-generation to SWRO.

Over the next five years until 2017, we invested heavily in developing, applying and refining the technology and effectively reshaped the entire market. With conventional energy prices increasing significantly, ACWA Power developed integrated plants that combine the environmental and commercial benefits of reverse osmosis with renewable energy sources (PV). This advanced integration led us to develop some of the world's largest RO plants, while continuously breaking records for the world's lowest levelised water tariff by significantly reducing SPC in our plants through big data analytics, advanced simulation tools, integration of solar PV and focus on Levelised Cost of Water (LCOW).

Two of our operational water desalination plants, Taweelah IWP in the UAE, the world's largest efficient RO facility, and Jazlah IWP (Jubail 3A) in the Kingdom, have successfully integrated on-site captive PV plants. This integration has reduced grid power dependency by approximately 25%, achieving the lowest specific power consumptions of 2.81 KWh/m³ and 2.79 KWh/m³, respectively, and cutting over 2.5 million tonnes of CO_2e emissions annually.

We maintain our competitive edge by treating each project as unique and by developing the best solution for that particular plant. NOMAC's experience of running the plants, and improving them on a continuous basis, provides us with a wealth of experience that advances our knowledge, capabilities, and technology. This experience is the basis for our continuous innovation to optimise our plant design, apply the latest proven technology and leads to successive reductions in SPC. This has eventually made us the world's largest private company for water desalination.

Water portfolio evolution
million m³/day



A leading innovator in desalination

Globally, partners value ACWA Power's innovative approach, giving us a world-leading track record in winning bids, and an enviable international asset portfolio

First company to introduce spiral wound membranes in a large-scale SWRO

First company to switch to 100% RO in a power-desalination IWPP project

First large-scale solar-assisted SWRO plant with on-site electricity generation using PV

First company in GCC to investigate nanofiltration as pretreatment for seawater RO and for Magnesium salt and Sodium chloride salt production

Application of in-house developed first-of-a-kind simulation and optimisation tool to achieve lowest LCOW

First solar-desalination pilot plant based on forward osmosis and CSP in advanced planning stage in the Kingdom

First deployment of AI in a large-scale SWRO plant in GCC with real bottom line savings

Lowest spec. energy consumption for large scale RO in GCC and world-wide based on normalised seawater conditions

40 R&D projects

20 pilot plants in the Kingdom and abroad

11+ patent applications

Local talent – EWA

Digitalisation and AI

Design optimisation tools

PMRO
Performance Model for RO

SWSTAT
Seawater Statistics

Operation optimisation tools

RO-TRACK
Analytics of the membrane performance

PTCALC
Post-treatment chemical consumption minimisation

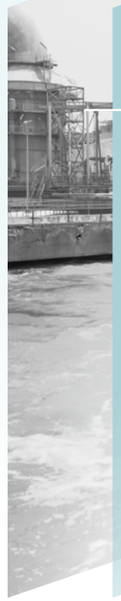
SDI Prediction
ML-based SDI Prediction

Shuaibah 3 IWP

Conversion of an oil-fired thermal IWPP to efficient SWRO

ACWA Power is converting this oil-fired thermal IWPP into a energy efficient 600,000 m³/day SWRO project by integrating 65 MWp PV replacing boilers and MSF technology. This will lead to an 87% reduction in power consumption and a saving of nine million tonnes of CO_2/year by avoiding fuel consumption of 22 million barrels/year. The plant will be operational in 2025.

Conversion live date	**Q2 2025**
Location	**120 kms south of Jeddah, KSA**
Capacity	**880 m³/day**
Conversion cost	**SAR 3.1 billion**



Shuaibah IWPP Old plant

- MSF (thermal) desalination
- Heavy fuel oil fired plant
- High CO_2
- 900 MWp consumption

Shuaibah 3 IWP New plant

- SWRO desalination
- PV 22 million barrels/year fuel savings
- Saving 9 million tonnes of CO_2/year
- 87% reduction in power consumption

Growth:

Global demand for water is increasing and it is estimated that by 2050, around 2.5 billion people will face water scarcity. Given that 40% of the world's population lives within 100 kilometres of a coastline, efficient and sustainable seawater desalination can provide a solution. In fact, large scale seawater desalination capacity is expected to grow 60-70% to over 80 million m_3/day by 2027 (source: GWI and company estimates).

As the global leader in water desalination, ACWA Power remains committed to capturing our fair share of the growth opportunities. Through continuous innovation to bring LCOW and SPC to sustainable levels, we hope to maintain our competitive advantage to stay ahead of the curve.

2023 Awards:

Desalination Project of the Year – Taweelah RO IWP (UAE National Winner)
MEED 2023

Desalination Project of the Year – Taweelah RO IWP (UAE National Winner)
MEED 2023

Desalination Project of the Year – Jazlah (J3a) RO IWP (KSA National Winner)
MEED 2023

Operational Excellence Award – Shuaiba Two Water Development Project Company (STPC)
Saudi Water Partnership Company (SWPC) 2023

Partnership Award – Jazlah Water Desalination Company
Saudi Water Partnership Company (SWPC) 2023

→ For more on our water desalination technology go to: Sustainability review / Environment / Water management.

DIGITAL AND AI INNOVATION

As a key part of the innovation culture at ACWA Power and our accelerating energy transition journey, we embed digital technologies in our daily activities, using cloud computing, cyber security, edge computing, IoT, data platforms, AI, machine learning, EPC construction collaboration frameworks, bidding tools, asset performance capacities, advanced operations, mobile workforce management, and geospatial capabilities.

We apply these resources to meet the needs of our teams and make their work streams easier, quicker and more productive.

4,000+
digital users

6,500+
OT assets managed

1,000+
servers installed

50+
applications managed by ACWA Power and NOMAC

The catalysts for our digital transformation journey

ACWA Power's dynamic business process across its develop, invest, operate and optimise cycle demands strategic solutions to adapt with the pace of our business growth and fast changing business environment. The strategic solutions encompassed three key objectives:

Establishment of a digital foundation

In a complex environment involving different business and organisational verticals, it has been important to break silos, foster collaboration and enhance adaptability. This required a comprehensive data-driven digital foundation set-up across the organisation nurtured the development of Big Rock solutions or vertical solutions which foster a collaborative environment and enable rapid adaptability.

Operational efficiency optimisation

Ensuring operational efficiencies is paramount to our business, and key to this is the adoption of tailored collaboration solutions and an agile-oriented work methodology. By embracing innovative approaches, we sought to streamline business processes, improve daily activities, and cultivate a culture of continuous development, enabling us to adapt swiftly to changing circumstances.

Technology optimisation

Ensuring business continuity and supporting ongoing maintenance of our current solutions and platforms were vital. This involved controlled investments and optimisation of our existing technological infrastructure through architectural optimisation, sharing and reutilisation of capabilities, and fostering synergies across business units and geographies.

Recognising the above, ACWA is investing heavily in an ambitious digital transformation five-year programme that is expected to generate significant value for the Company in the long-term.

Our transformative journey

Our actions are guided by four basic principles that are central to our strategic approach:

Business transformation

So far in our journey, we have successfully implemented over 350 quick wins using an agile approach. We are advancing our technology capabilities to meet and exceed these goals as we align with the increasing opportunities at ACWA Power.

Foundations for success

Our commitment to being 'born digital' for upcoming industrial plants, with off-the-shelf solutions, a robust architecture and a platform framework, enables us to deliver exceptional value. It allows us to scale up rapidly in an agile manner.

Early adoption stages

Knowing that we have reached a level of maturity that is comparable to the highest industry standards, we are driven to aim even higher.

Collaboration

Our strategy is centred on collaboration. It increases output, simplifies integration with our partners, and creates a collaborative work environment.

To attain the digital transformation objectives described above, we embraced a bi-modal strategy in our journey. This involved developing Big Rock solutions on one front and integrating them into our business operations with practical real-world applications on the other.

Big Rock solutions

Our priority was to ensure the implementation of Big Rocks solutions – the core initiatives pivotal to kickstarting digital transformation, including the data platform and IoT platform.

Data platforms

The Data platform is a central ecosystem that automatically collects, transforms and harmonises a large amount of fast and slow data from several sources to be delivered to users or applications. This platform is designed to enable seamless integration, analysis, and visualisation of data creating a single point of access for data, reducing the risk of KPI discrepancies, and breaking silos. Promoting data-driven decision-making, enhancing operational effectiveness, and revealing insightful information are its primary objectives. The Data platform fosters a culture of data-driven innovation, bringing company strategies in line with actionable insights, and establishing an integrated data infrastructure.

Some key benefits of the Data platform include:

- Unified access and data consistency: guaranteeing a single point of access, the platform eliminates data discrepancies across domains. This approach allows for seamless cross-domain insights, fostering a cohesive understanding of organisational data.
- AI-Driven predictive insights: using sophisticated AI capabilities, the platform is exceptional at forecasting patterns and decoding intricate details inside information. It offers practical insights that support well-informed decision-making.
- Efficient navigation of KPIs: facilitating quick and easy navigation of Key Performance Indicators (KPIs), users can access detailed information, along with contact details for data owners, streamlining communication and collaboration.
- Interactive data visualisation: transforming raw data into meaningful information, the platform offers interactive dashboards for data visualisation. This dynamic visual representation enhances comprehension and aids stakeholders in gaining valuable insights.

Internet of Things (IoT) platform

The IoT platform serves as a top-edge sensor technology enabler, providing real-time data and unlocking opportunities for proactive issue prevention. At the heart of our digital transformation strategy, this platform facilitates the integration of diverse technologies, fostering a connected ecosystem. The overarching objective is to drive operational efficiency and contribute significantly to our broader digital transformation goals.

Some key benefits of the IoT platform include:

- Efficiency increased: real-time insights derived from the IoT platform streamline operations, empowering informed decision-making. Notably, improvements in membrane performance and optimised chemical consumption enhance overall process efficiency.
- Cost Reduction: the implementation of an Edge IoT/MPC-driven predictive maintenance strategy leads to a substantial decrease in unplanned maintenance costs. This proactive approach minimises the need for costly emergency repairs.
- Safety reinvention: The platform contributes to a remarkable safety record, particularly evident in NOMAC's achievements. The integration of smart 3rd Eye Health and Safety monitoring has resulted in fewer risk incidents and an elevated safety standard.
- Innovation uplift: real-time insights provided by the IoT platform serve as the bedrock of innovation at NOMAC. The organisation leverages this data to develop novel processes and products, positioning itself as an industry leader.

Use case of our transformational journey

We facilitated digital transformation by integrating Big Rock solutions across our business units (business development, portfolio management and O&M) and enabling functions (people, finance, legal, procurement and others), demonstrated through such as applications like Model Predictive Control (MPC), 3rd Eye and Legal Smart AI.

3rd Eye

The 3rd Eye harnesses the power of AI and real-time data analytics to optimise safety protocols, streamline operations, and deliver actionable insights. Its primary goal is to provide an all-encompassing view of critical processes and environments, contributing to enhanced safety measures and operational efficiency. The 3rd eye infrastructure also opens up a number of possible future use cases, from vehicles speed-tacking to AI driven drone inspections. 3rd eye has been implemented at five sites in the Kingdom and Uzbekistan and will be rolled out to more sites in our portfolio.







Legal smart AI

Using straightforward language, Legal smart AI, our generative AI, helps the legal team search and locate clauses, simplifies future contracts, and extracts valuable insights for potential legal considerations, to make contract management easier and quicker.

ACWA Power belongs to a small group of innovators – only 15% of organisations have yet harnessed the power of data analytics to integrate AI into their processes (Gartner CIO Community Survey).

Our AI initiatives in 2023 exceeded our target and we incorporated AI in nine processes, including Legal Smart AI, a product similarity algorithm, the 3rd Eye, Digital Worker and Advanced pattern recognition (IoT). ACWA Power is one of only 15% of worldwide companies which have integrated generative AI into their processes.

Results of our journey

- Business lines are more productive and efficient, ensuring business continuity and improved reliability of supply (RoS).
- Partners experience smoother integration into our value chain by using a network that connects people, shareholders, partners, start-ups, and communities.
- Our collaborative workspace yields valuable data insights for all stakeholders.
- Our platform model is effectively reducing operational costs.
- Our platform operating model creates value through our framework capacities.

The successful results of our digital journey provide a robust basis for us to become industry thought leaders in spearheading the energy transition.

As we aspire to be a thought leader in our industry, we will continue to drive the adoption of digital initiatives through a blend of visionary leadership and bottom-up change agents, while remaining steadfast in our commitment to embed collaboration and innovation in every aspect of our organisation.



‘Best Data Analytics and Best Digital Twin’ award
at the Customer Experience Live Awards 2023.

‘Best Digital Transformation of the Year’ award
at the Entrepreneur Middle East Tech Innovation Awards 2023.



Energy transition takes ambition...

ACWA Power aims to be the thought leader in our industry

Jazlah IWP, with a capacity of 600,000 m^3/day, the first large-scale operating integrated water desalination/ solar PV project in the Kingdom.

RISK MANAGEMENT

Balancing ambition with efficient risk management and navigating uncertainties safely

ACWA Power is a dynamic company with highly ambitious targets locally and internationally. In pursuit of success of these targets, we have implemented a robust risk management system and have embedded risk management throughout our operations and corporate activities. This strategic approach not only safeguards our sustainability but also fosters an environment in which ambition can thrive.

Enterprise Risk Management (ERM)

At ACWA Power, ERM is a core, primary business function which enables us to proactively identify, assess, and mitigate risks across our business lines. The areas of risk include strategy, safety, environment, operations, legal and compliance, Operational Technology (OT)/digital, human capital and financial and includes those risks relating to climate change.

Risk management reporting

In this report, we present the overarching approach and framework that underpin ACWA Power's risk management practices. We outline the risks we identify as being materially significant to our organisation.

For climate risk management information and reference to the Task Force on Climate-Related Financial Disclosures (TCFD), refer to the Sustainability review on page 84. ACWA Power is committed to reducing the greenhouse gas (GHG) emission intensity of our electricity generation by 50% by 2030 as compared to 2020, and to achieving an overall portfolio level of net zero by 2050.

> **Effective risk management is central to our decision-making at both corporate and operational levels and we have proven systems in place to channel our innovation and ambition in a disciplined and structured manner.**
>
> **Abdulaziz Alateeq**
> Head of Risk Management

Oversight and management of risks

The vast scope of our business, which involves developing, investing in, and 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 our business objectives.

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

We are committed to implementing risk management best practice by adopting sound ERM principles. This commitment has been formalised 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, presented in the summary chart below, aims to continuously identify, assess, mitigate, manage and communicate risks.

The Group's overall risk management programme continuously monitors and reviews the principal risks relating to the Group's business performance that could materially affect our 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 regional and Group levels.

As part of our risk management culture, we started a process by which the Risk Management Committee (RMC) 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.

Business development

All business development projects go through a gated approval process by the Management Investment Committee and the Board Executive Committee. Project-related market, technical, legal and financial risks are reviewed for 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 summarised in the form of a risk matrix with potential mitigations.

Sensitivities are analysed 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 management, the Board Risk Management Committee and the Board. This process covers all investments (greenfield and acquisitions), divestments and changes in Offtake agreements, if and when applicable.

Construction phase

The Group focuses on developing scalable investment platforms and maintaining a portfolio with a technologically and geographically diversified asset base. As our portfolio risk landscape continues to evolve, the risk management function is involved to ensure business identifies, assesses and constantly monitors potential threats and opportunities that we could face so that we remain resilient on projects under construction as well as assets in operation. For our projects under construction, we remain actively engaged with our EPC contractors and encourage them to assess risks financially (by quantifying the potential risk), potential delays in the schedule, issues with quality of workmanship, health and safety, and reputation. This gives more insight to the portfolio team to understand and act accordingly.

Operations and maintenance

The Group uses centralised expertise via NOMAC, a 100%-owned O&M subsidiary of ACWA Power, to optimise the operation and maintenance of our 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 digitalised 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.

Health and safety

Safety is our first and foremost priority. We have comprehensive HSSE procedures for construction, operations and corporate offices. We have procedures for comprehensive analyses of potential hazards, regular safety audits, and strict adherence to local and industry laws and regulations. We prioritise ongoing employee training, conduct periodic reviews of safety protocols, and leverage incident reporting systems and mechanisms to address emerging risks proactively. Our commitment to maintaining a safe working environment extends to continuous improvement initiatives and collaboration with regulatory bodies to ensure compliance with evolving standards.

Supply chain

ACWA Power has robust procedures to identify and manage potential sustainability risks in the supply chain.

We conduct thorough supplier assessments, regular audits, Know Your Customer (KYC) procedures, supplier engagement and management, third-party due diligence reviews, and integrate sustainability criteria into procurement decisions. This proactive approach helps mitigate risks, enhance transparency, and aligns our supply chain practices with our commitment to sustainability.

Enterprise Risk Management – fundamentals

Risk appetite

Our company's risk appetite emphasises prudent management while allowing us to take strategic opportunities globally. Acknowledging complexities in energy and infrastructure, we address risks such as safety, market shifts, regulations, geopolitics, financial volatility, supply chain, and cyber security. We have a balanced approach, guided by our commitment to creating value for our stakeholders. Our Board-approved risk appetite embraces innovation, aligns with our long-term goals, and balances ambition with safeguarding against threats to financial stability, operational resilience, and reputation. Transparently articulating our risk appetite reinforces responsible governance and sustainable practice, fosters stakeholder confidence and is critical to continuing our success.

The Company is developing a comprehensive Risk Appetite Framework (RAF) to follow a robust approach in monitoring & applying risk appetite statements (RAS), 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 to comply with RAF.

Risk Management policy and framework:

The Company has developed a robust Enterprise Risk Management (ERM) policy and framework, based on the risk appetite statements approved by our Board, that aligns with the principles delineated in ISO 31000:2018 Risk Management Guidelines. This holistic approach to risk management ensures the systematic identification, assessment, treatment, and monitoring of risks across all tiers of our organisation. Our ERM policy epitomises our dedication to integrating risk management into our strategic decision-making processes, operational procedures, and corporate culture.

The ERM policy provides guidance and sets the tone from the Board regarding the management of risks, to support the achievement of company's targets, objectives, the protection of staff and assets, and ensures financial sustainability.

Central to our ERM framework is the delineation of clear roles, responsibilities, and accountability structures, fostering effective risk management throughout the organisation. This includes designating risk owners and establishing communication channels to ensure timely and coordinated risk response.

ERM infrastructure

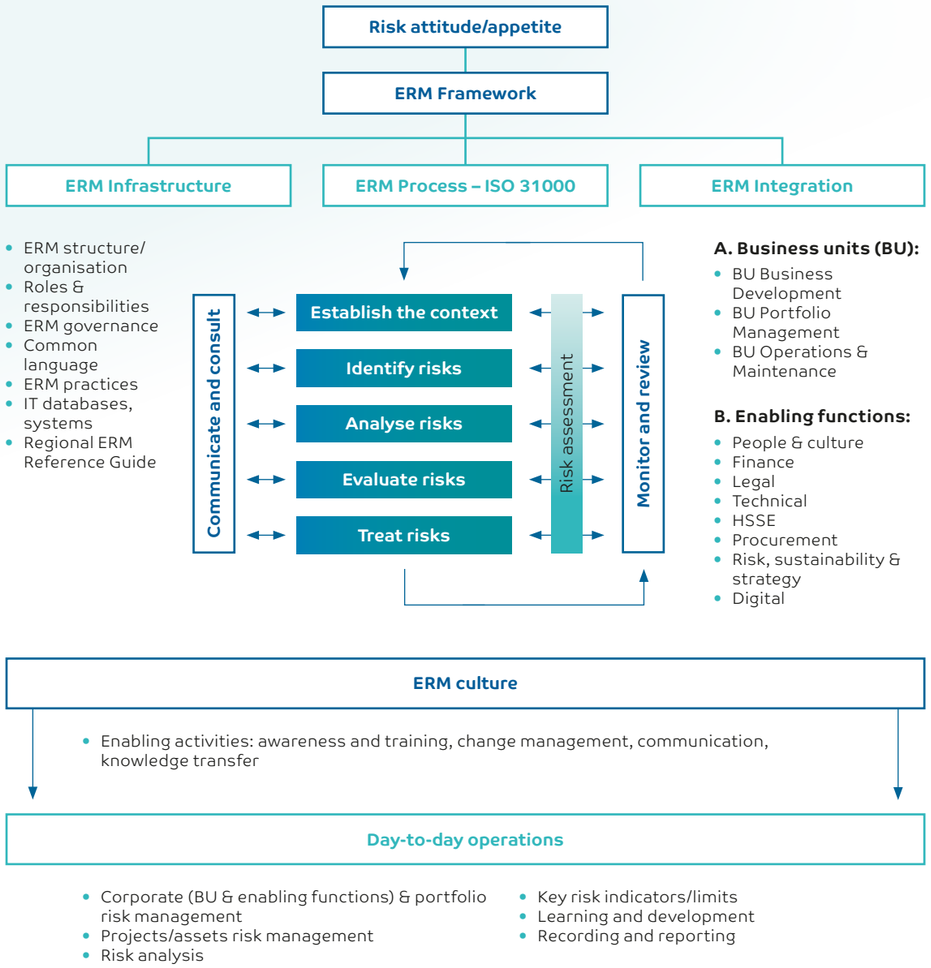
We have developed a robust infrastructure to support effective risk management practices across our organisation. This infrastructure encompasses various elements, including a Governance, Risk and Compliance (GRC) system as a tool for risk management, collaboration with other second lines of defence, and the establishment of clear policies and procedures.

ERM culture:

ACWA Power fosters a strong risk management culture among employees through various initiatives and practices. This includes:

- Conducting a thorough risk orientation programme as part of the onboarding process for new employees, ensuring they understand the importance of risk management from the outset of their tenure.
- Regular risk management training sessions for risk owners and risk champions, promoting open communication about potential risks and encouraging proactive risk identification.
- Establishing a risk champions domain, with regular gatherings to recognise their contributions, share best practice, and promote a collaborative approach to risk management across the organisation.
- Integrating risk management into decision-making processes and daily operations, ensuring that risks are considered at all levels of the organisation.

FIGURE 1: ERM FRAMEWORK



Risk governance model

Risks are proactively identified and managed at each level of the organisation (from project companies up to corporate functions) with the appropriate level of granularity.

They are reported on a regular basis to the appropriate management levels and the Board's Risk Management Committee and the Board. The Risk Management Committee advises the Board on the Company's risk appetite, monitors the Company's principal strategic, financial, operational, business, and reputational risks or exposures, advises and recommends actions to minimise such risks, future risk strategy, and provide oversight and guidance as to the overall risk management functions within the Company.

Risks and mitigating actions are reviewed on a regular basis to ensure that risk management is a continuous and iterative process, providing an up-to-date and accurate picture of the risks and mitigating actions of the Group.

Fraud Risk Management (FRM)

All organisations are subject to the risks of fraud, corruption, misconduct, and other illegal acts. Such risks can have a severe impact leading to harming the reputation and leading to financial losses or even legal actions. The Group understands this and aims to effectively address fraud risks similar to how they address other types of risks by creating a tailored and robust programme.

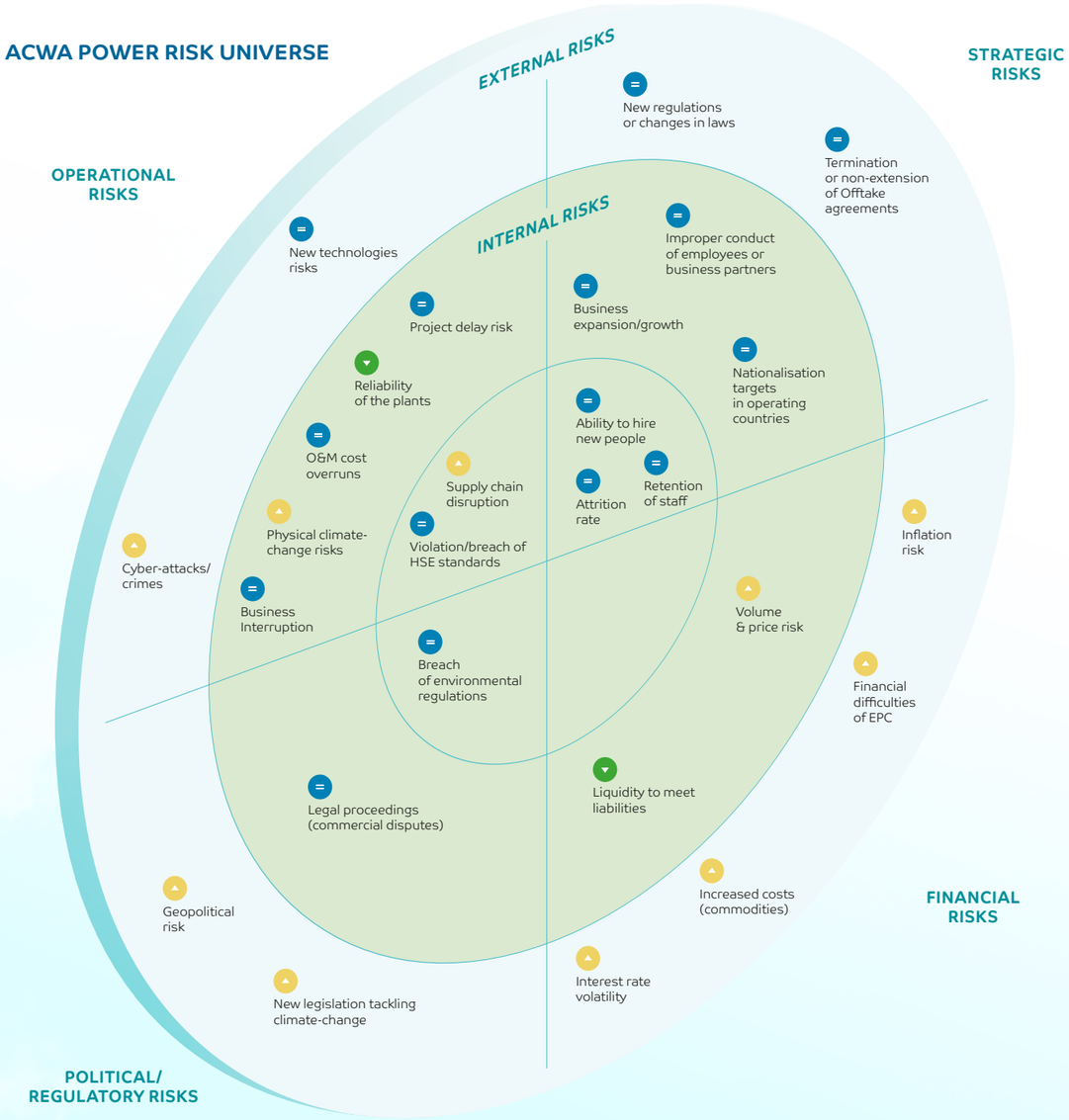
The Group maintains a zero-tolerance approach to fraud and promotes a culture of integrity at every level of the Company and established control procedures to control the risk of fraud. While fraud risks are already addressed in various policies and processes within the Group, the Group intends to embrace a more comprehensive process (in line with leading practice) to manage the Group's fraud risks as part of a broader Fraud Risk Management (FRM) programme. The FRM programme supports fraud risk governance, fraud risk assessment, fraud control, investigations, and a monitoring system.



RISK MANAGEMENT

Risk universe

The chart below shows how risks are approached and managed within the Group. The risk management function assesses risks across the Group and clusters them logically before reporting to support risk-informed decision-making processes. ACWA Power's risk universe identifies internal (inner circle) and external (outer circle) risks which are categorised into four main risk areas (operational, strategic, financial and political/regulatory) as depicted by the chart. Each risk is marked by its current trend represented by arrows to denote increasing, decreasing or stable risk.



The ACWA Power risk universe, shown above, identifies internal and external risks that are categorised into four main risk areas (operational, strategic, financial and political/regulatory). The trend of each risk is marked by an arrow to denote increasing, decreasing or stable risk.

The complete list of key risks is provided in the following tables.

- Increasing risk
- Decreasing risk
- Stable risk

MAIN RISK AREAS	KEY RISKS	MITIGANTS
COUNTRY AND GEOPOLITICAL	1. Novel regulatory regimes and commercial environments 2. Geopolitical tensions in any of the jurisdictions where Group has presence or seeks prospects	Careful selection of new markets, diversified portfolio in 12 countries is a strong mitigating factor which spreads such risk against individual country or regional economic risks. Further, we undertake initial due diligence to identify, analyse broad spectrum of risks at local, regional and Group level to promptly manage its exposure and related compliances. Systematic security assessments and continuous monitoring of geopolitical developments at countries where we operate to ensure Group is well placed to respond to changes in political environments. Business Continuity and Crisis Management framework. Insurance coverage wherever available and feasible.
PROJECT DEVELOPMENT	1. Business Expansion/ Growth 2. New technologies – Green H2 3. Competition and pricing 4. Integrity and creditworthiness of equity partners 5. Poor performance of main suppliers (EPC, OEM)	Identify and limit key risks during the project selection and bid development process. Regionalised construction supervision and asset management activities providing management bandwidth to integrate new projects. Allocation of management resources with responsibilities to successfully manage unforeseen challenges and associated risks. Multi-technology capability and track record for successfully managing diversified portfolio. The Group co-invests in all its projects with a view to maintaining technical and operational control over the project performance. In-house technology department with strong expertise and reference for main equipment, tested in successful commercial operation with certification from third-party. The Company carries out a thorough vetting process for all its equity partners. The Company seeks to employ experienced and leading original equipment manufacturers (OEMs), as well as reputable EPC contractors which provides turnkey solutions. Build out of a strong development team around the new market of green hydrogen.
PROJECT FINANCING	1. Material delays in achieving, or achieving at all, the financial close of a given project 2. Exposure of development bond and any initial development costs, costs for early works in case of not achieving financial close 3. Increased costs (commodities) 4. Existing and future leverage	Comprehensive project finance expertise, supported by strong relationships with lenders and financial institutions (including regional, European, U.S. and Chinese institutions) together with access to competitive cost debt and equity capital. All projects/transactions are financed on non-recourse or limited recourse basis in a manner to make projects bankable. A large part of costs is shared with co-investors and the development cost (both internal and external) is reimbursed at financial close from the project.

RISK MANAGEMENT

MAIN RISK AREAS	KEY RISKS	MITIGANTS
FINANCIAL (MARKET RISKS AND OTHER MACROECONOMIC FACTORS)	1. Exposure to interest rate volatility 2. Inflation 3. Currency movements 4. Liquidity to meet liabilities 5. Insurance rate volatility	Interest rates of a large part of the project finance loans are fixed through long tenor hedges at the outset. The Company continuously monitors unhedged portion (financial liabilities) to ensure the exposure remains within acceptable limits to mitigate all asset-liability mismatch risk where possible. Embedded inflation protection in the long-term Offtake contracts. Contracts and equity return predominantly indexed to USD or 'hard' currencies which provides us with a natural hedge against currency movements. Multiple sources of funding facilities have been arranged through bank loans, revolving corporate facilities, bonds, sukuks and private placements to help ensure that the Group is able to manage liquidity requirements. Leverage ratios are assessed for various growth scenarios to ensure close monitoring of such ratios and to manage funding gaps.
CONSTRUCTION	1. Project delays, cost overruns and quality of workmanship issues 2. Unforeseen site or commissioning issues and associated risks 3. Financial difficulties or bankruptcy of EPC or its sub-contractor 4. Underperformance of asset vs. warrantied specifications	Construction is systematically contracted on a lump sum turnkey basis (fixed price and scope) and date-certain contracting approach with EPC contractor. Maximum amount of risk passed on to EPC contractor through back-to-back contracts implying payment of liquidated damages by the EPC for any under-performance (i.e., delays, technology: quality, function, fit-for-purpose – reliability, dispatch capacity and fuel consumption). Investment-grade EPC and its consortium partners with joint and several liability to considerably reduce the EPC default risk. Force majeure protection in Offtake agreements and comprehensive insurance policies to manage time and cost adjustment. Robust EPC oversight, plant commissioning and handover processes and procedures are in place to ensure quality and performance of the plants.
HEALTH AND SAFETY	1. Health and safety hazards 2. Violations of health, safety and security standards 3. Breaches may lead to regulatory actions, legal liabilities, increased cost, disruptions to business, harm to reputation	The Board, its committees, and senior management are fully committed to creating a safety culture throughout the Group. Stringent health and safety standards, guidelines, audits, and investigations in place to implement measures aimed at eliminating future incidents on assets under operations and projects under construction, enforced by dedicated in-house HSE department. Continually reviewing environmental regulatory risks. NOMAC's integrated HSE and quality management system have been independently certified under the ISO 9001:2015 and ISO 45001:2018.
ENVIRONMENTAL	1. Exceedance of environmental limits 2. New legislation tackling climate change 3. Breaches may lead to regulatory actions, legal liabilities, increased cost, disruptions to business, harm to reputation	Strong social and environmental impact mitigation and management, as part of sustainability framework and strategy. Integrated O&M HSE and quality management system have been independently certified under ISO 14001:2015 which sets out the requirements for an environmental management system and to enhance its environmental performance.

MAIN RISK AREAS	KEY RISKS	MITIGANTS
PEOPLE	1. Recruitment (volume, adequacy, and quality) 2. Nationalisation targets 3. Loss of key personnel 4. Retention of staff	Dedicated recruitment-oriented resources to cope with high-growth demands and nationalisation efforts by the organisation to meet targets. Talent and leadership development schemes to limit turnover and manage scarce skills. Succession planning for critical roles in the organisation and key people management processes in place as part of our talent management process. Performance-based evaluation process to enhance internal talent growth. Values-based organisation culture that promotes respect, inclusiveness, and diversity.
LEGAL AND REGULATORY	1. Increased number of laws and regulations, including monitoring change in law or new legislation and other evolving practices 2. Managing obligations of local, regional, and global laws and regulations across different jurisdictions 3. Legal proceedings (commercial claims or tax disputes) 4. Event of default or impact on the Company's reputation	Systematic contractual protection against changes in laws and regulations in most of the assets. Consolidation on compliance with laws and regulations, and regular monitoring for changes to regulations across its portfolio to ensure that the effect of any changes is minimised, and compliance is continually managed. Engagement of top law and tax firms to assess our positions and recognising provisions where required. Strong corporate governance and reinforcing policy and procedures to ensure full compliance with all legal, regulatory and tax requirements. Establishment of a comprehensive Compliance Framework that protects the Company's reputation and credibility, serves shareholders' interests, ensures customer satisfaction and reduces litigation.
REVENUE	1. Volume and price risk (excluding foreign exchange, covered above) 2. Assets are exposed to performance risk 3. Renewable assets are exposed to decrease in supply of solar or wind resources and performance risks	Long-term Offtake contract to protect us against demand or price risk. The substantial majority of the Offtakers are government-related entities with direct government credit support or with other contractual protection. EPC performance guarantees in place to protect newly built facility against any performance shortfall. O&M has implemented Reliability of supply framework along with in-house developed plant simulation and optimisation tool to address and enhance reliability of supply in a systematic and proactive way. Wind and solar resource studies are carried out for renewable assets based on long-term historical average. Insurance solutions to protect our assets against unforeseeable risks or unexpected business interruptions with agreed deductible periods and minimum deductible amount.

MAIN RISK AREAS	KEY RISKS	MITIGANTS
OPERATIONS AND MAINTENANCE	1. O&M costs overruns 2. Plant under-performance or lack of reliability during the operation period	To minimise the operational risks, the company generally entrusts the O&M, its wholly-owned and best-in-class O&M subsidiary to operate and maintain its assets for the full tenor of the Offtake agreements. O&M contracts cover the Offtake agreement term and are indexed for inflation and indexation. The applicable penalties are capped in the contracts. O&M continues to deploy monitoring and prediction digital platforms for critical equipment by using big data and advanced pattern recognition capabilities to enhance overall performance. O&M has extensive capabilities as an O&M contractor and implements a standardised management and operational model to ensure superior control and understanding of operating assets through the lifecycle, provide stable long-term income and super senior cash flows. O&M has a reliable supply framework to ensure high reliability of assets. O&M's Maintenance Energy Services (NMES), a 100 percent-owned subsidiary, provides turnkey and specialised maintenance services, including major overhauls for the entire fleet of steam turbines, combustion turbines, generators, large pumps and other rotating equipment.
FUEL SUPPLY AND CONSUMPTION	1. A significant increase in the price or the interruption in the provision of fuel 2. Fuel cost under recovery	Most of our fossil fuel-based plants are contracted on tolling arrangements whereby fuel supply and cost risks are borne by Offtaker. Whenever tolling arrangements are not there, the fuel supply and price risk are passed to the Offtaker. Ongoing plant efficiency optimisation as part of value proposition when needed to reduce or eliminate under recovery exposures.
TERMINATION AND EXTENSION	1. Early termination of Offtake agreement for a reason attributable to the Offtaker 2. Early termination of Offtake agreement for a reason attributable to the project company (material under-performance) 3. Non-renewal of Offtake agreements at the end of their term (Asset retirement obligation)	• If the cause of termination is attributable to the Offtaker, the project company will receive termination payments which in most projects cover outstanding debt repayment and equity (including a return on equity). These termination payments by the Offtaker benefit from direct government credit support or other forms of contractual protection. Selection of the right technology, quality construction and reliable operations to manage performance requirements of the Offtake agreement. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Align plants' existing useful life to its assessed economic life and timely pursue discussions with Offtaker to seek extension for Assets nearing expiry as part of value creation initiatives.
INFORMATION TECHNOLOGY INFRASTRUCTURE	1. Cyber-attacks/crimes 2. Reliability of the Group's IT infrastructure (to support remote working, uninterrupted operations)	Defence-in-depth strategy around IT systems (servers, network, end-user machines, etc.) to prevent cyber-attacks, in compliance with the ISO standards at corporate-level. Regularly review, update and evaluate all software, applications, systems, infrastructure and security which includes regular vulnerability assessment and penetration testing. Proven business continuity and disaster (natural or man-made) recovery plans. IT security assessments and periodic IT audits conducted by skilled IT auditors to ensure effectiveness of controls on IT systems. ACWA Power has been certified under the ISO/IEC 27001.
ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE (ESG)	1. ESG targets if not met fully, partially, or timely	Establishing a robust framework to evaluate the impact of climate-related risks. Set time-bound interim and end-state targets based on the reporting principles of the Global Reporting Initiative (GRI) and the Taskforce on Climate-related Financial Disclosures (TCFD). Identified, selected, and prioritised material topics to ensure that the effects of climate change, as well as corporate social and governance responsibilities, are routinely considered in our business and investment decisions. No new investment for high carbon emission-based fossil fuels, such as coal thus increasing the share of our portfolio dedicated to clean and low-carbon power technologies. Initiatives put in place on leadership in low-carbon products, water management, health and safety, and corporate governance.
GOVERNANCE AND MANAGEMENT	1. Non-adherence or non-compliances to prescribed organisation policies and processes or laws and regulations 2. Improper conduct of employees or business partners 3. Inappropriate governance and systems	'Tone at the top' established by its Board of Directors, Board Committees, and senior management. Internal controls, systems and procedures in conformity with the relevant sanctions, anti-bribery, anti-money laundering and anti-terrorism laws. Governance framework supported by ad-hoc control by Board Committees with significant independent member participation in each Committee. Independent internal audit function reporting to Board Audit Committee. Whistleblowing programme and process to by ensure a recognised, industry-leading ethics and compliance culture. An integrated and comprehensive, technology-based governance, risk management, internal control and compliance tool being implemented for better alignment and reporting to reduce risks, costs, and duplication of efforts.
SUPPLY CHAIN & LOGISTICS	1. Increase of insurance premium 2. Business interruption	Conduct a comprehensive review of existing insurance coverage to identify areas of potential cost savings or opportunities for more favourable terms. Implement risk reduction measures to demonstrate proactive steps are being taken to minimize risks, thereby potentially leading to reduced premiums. Increase the insurance coverage extension duration which will reduce the volatility in the prices. Robust Business Continuity (BCM) programme is established across the group and includes a BCM Policy, framework and a developing business impact analysis covering the identification of critical processes and dependencies. Disaster recovery plans to ensure prompt and effective responses to potential disruptions. Diversified supply chains and established redundancy measures for key resources, such as energy sources or water supply routes, to mitigate the impact of disruptions in one area.

→ Regarding the management of climate risks, please refer to Sustainability Review/Climate change on page 98.

Energy transition takes ambition...

ACWA Power aims to be the preferred partner of growth

One of the Kingdom’s iconic giga projects, Red Sea Global Project, ACWA Power is supporting the largest, fully sustainable off-grid solution worldwide, through a multi-utilities project that includes the world’s largest battery storage facility, powering the giga-project 24/7 through renewable sources.

CFO'S MESSAGE



Abdulhameed Al Muhaidib
Chief Financial Officer of ACWA Power

ACWA Power's successful financial results in 2023 once again demonstrated the resilience of our business model supported by a healthy balance sheet. This is a testament to our commitment to deliver sustainable stakeholder value growth.

A year marked by exceptional growth for ACWA Power

ACWA Power recorded significant year-on-year growth in 2023. With the addition to our portfolio of 16 assets, representing 11 GW of power and 1.4 million m^3/day of water, we committed SAR 5.8 billion of equity during the year. Not only was this 30% higher vs. 2022, but also exceeded the IPO guidance on our average annual equity commitment to back our accelerated growth ambitions. Going forward towards our 2030 ambitions, we now expect our equity commitment to reach around SAR 9 billion on average every year between 2024 to 2030.

The year also had a record 12 financial closes, led by ACWA Power, for a total of SAR 59 billion. This involved structuring some of the most complex yet unique multi-tranche mega financing packages from a diversified pool of local and international banks, including Development Financial Institutions and Export Credit Agencies. The largest transaction was the SAR 31.9 billion landmark Neom Green Hydrogen Project's financial closing, which involved 23 regional and international banks and investment firms; it was certified by S&P Global (as the second party opinion provider) as adhering to green loan principles and is one of the largest non-recourse project financings structured under the green loan framework.

With a proven in-house team of experts and the strong relations we have established over the years with a wide range of financing partners across the globe, we are well positioned to structure funding for our future growth projects.

We enhanced our operational and under-construction portfolio by reaching key project milestones, including bringing 5 GW of new power and 1 million m^3/day of new water desalination capacity online, which significantly contributed to our operating income growth. In the meantime, we have been addressing the legacy issues in the projects affected by the pandemic and geopolitical challenges, which are expected to reach full closure within the next 12 months.

All these positive contributions from business development and our operating portfolio were partially offset by higher corporate general and administration expenses and lower performance liquidated damages and insurance recoveries during 2023. Accordingly, our operating income[1] increased by 14% and reached SAR 2,984 million.

Supported by this strong operating income but partially offset by lower capital recycling gains and higher net financial expenses, our net profit[2] grew by 8% and reached a record SAR 1,662 million. This robust earnings growth is a testament to the dedication of our team and the effectiveness of our strategic direction and portfolio diversification and underscores our commitment to deliver stakeholder value.

Our Parent Operating Cash Flow (POCF) was SAR 2.5 billion, and although 41% lower than 2022 (mainly due to the high level of refinancing proceeds from RAWEC and divestment proceeds from SQWEC in 2022), we have seen higher inflows from our development and operating activities compared to 2022. Parent Net Leverage stood at SAR 13.5 billion as of 31 December 2023, and was 53% higher than 2022, driven mainly by the issuance of the second and the last tranche of our SAR 5 billion Sukuk programme which raised SAR 1.8 billion at a record low double digit pricing, additional debt borrowed at project level with recourse to the Company in the Kingdom, The Republic of Uzbekistan, Azerbaijan and UAE, and other off-balance sheet equity bridge loan commitments, which were partially offset by a higher year-end parent level cash balance.

[1] Operating income before impairment loss and other expenses.
[2] Net profit/(loss) attributable to equity holders of the Parent.

This resulted in a Parent Net Leverage to POCF ratio of 5.5 times. Although higher than 2022, this is still within the Company's long-term guideline ratio of between five and six times.

Our cash dividend distribution to our shareholders amounted to SAR 1.2 billion for the years 2021 and 2022, reflecting successively increasing amounts in line with our IPO guidance. Now that we have rolled out our ambitious new growth strategy to triple our portfolio size and assets under management by 2030, the management chose to optimise our cash utilisation without deteriorating the total distribution value to its shareholders for 2023, and, accordingly, the Company's Board resolved to recommend to the General Assembly a hybrid cash and non-cash bonus share distribution for 2023. The cash dividend distribution of SR 0.45 per share and the bonus share distribution of one share for every 500 shares owned by the shareholders at the record date via capital increase have both been approved by the shareholders at the Extraordinary General Assembly Meeting held on 29 April 2024.

The Group's only listed bond – the Irish Stock Exchange-listed ACWA39 bonds – has been reinstated its investment grade rating by the Moody's, following a very successful early and partial buy-back, at the end of 2022, at an approximate amount of USD 400 million. This bond maintains two investment grade ratings currently. In tandem with our increased equity commitments as part of our new growth pipeline, we raised more than SAR 8.3 billion of equity bridge loans with another SAR 2.3 billion in related non-funded facilities.

In December 2023, we conducted our first capital markets day at one of our landmark projects in the UAE. Our sell-side coverage increased with the addition of Morgan Stanley in late December 2023 and Al Rajhi subsequently in January.

During the year the Company proudly celebrated several prestigious awards, including the Local Currency Bond Deal of the Year and EuroMoney Islamic Finance deal of the year for our Sukuk transaction and the ARC Foundation Gold Award for our 2022 Integrated Annual Report. These accolades, among others, are a testament to our team's outstanding performance and our pursuit of excellence in all that we do.

As we start executing our new growth strategy, we remain committed to maintaining the financial strength and health of the Company while funding our expansion efforts in a prudent and optimal manner.

Abdulhameed Al Muhaidib
Chief Financial Officer

FINANCIAL REVIEW

Financial highlights 2023

Operating income[1]
SAR 2,984 million 14% ▲

Net Profit[2]
SAR 1,662 million 8% ▲

Parent Operating Cash Flow (POCF)
SAR 2,453 million 41% ▼

Parent net leverage/POCF
5.5x 3.4x ▲

Equity commitments[3]
SAR 5,787 million 30% ▲

Strong financial results to back a record year

Supported by strong operational performance, ACWA Power delivered robust financial results during 2023 to cap a record year for growth, demonstrating the strength of our business model and the resilience of our balance sheet against high interest rates and inflation environment.

Operating income – before impairment, loss and other expenses – at SAR 2,984 million for the full year of 2023 was 14% higher compared to the previous year mainly due to higher plant availability in our existing assets and contributions from new projects achieving commercial operations. The higher operating income in addition to lower zakat & tax charges and partially offset by lower capital recycling gains, resulted in an 8% increase in the net profit – attributable to equity holders of the Parent – which stood at SAR 1,662 million. The following MD&A will cover the variances in more detail.

[1] Before impairment loss and other expenses.
[2] Attributable to equity holders of the Parent.
[3] The Company's equity commitments are based on successful bidder announcement, or where a bid is negotiated based on project award agreements (collectively 'Advanced Development Projects') and represent ACWA Power's share of base equity and EBLs for each project, as approved by the Board Executive Committee (BEC) of the Company. The equity commitment amount does not represent the amount of equity invested but what the Company is committed to contribute. Please note that equity commitments are subject to change until underlying projects achieve their respective financial closes, which may take longer than a full financial year in some circumstances.

Management's Discussion and Analysis of the Financial Results for the Year Ended 31 December 2023

Introduction

This section provides an analytical review of the financial results of ACWA Power for the three-months and full year ended 31 December 2023, and it should be read in conjunction with the Company's Audited Consolidated Financial Statements and Independent Auditor's Review Report for the year Ended 31 December 2023 issued by KPMG Professional Services (Certified Public Accountants) (the 'Audited Financial Statements').

All amounts are in SAR million, rounded up to one decimal point, unless stated herein otherwise. Percentages have also been rounded up to the available number of digits presented in the tables, when applicable. A calculation of the percentage increase/decrease based on the amounts presented in the tables may not therefore be precisely equal to the corresponding percentages as stated.

'2023' or '2022' corresponds to the full year ended 31 December of the year mentioned. 'Current year' or 'Current period' corresponds to 2023 whereas 'previous year' corresponds to 2022. 'Prior periods' corresponds to one or more years before the current year.

In the Audited Financial Statements, certain figures for the prior periods have been reclassified to conform to the Presentation in the current period.

→ Please refer to Note 40 of the Audited Financial Statements on page 258 of the Integrated Annual Report.

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

→ See full disclaimer on page 252 of the Integrated Annual Report.

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

Although the Company's business model of Develop, Invest, Operate, and Optimise allows it to generate and capture returns over the full lifecycle 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 lifecycles (i.e., in advanced development, under construction or in operation). Projects achieving financial close ('FC') and projects achieving either initial or project 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 information. The Company considers this or similar type of transactions as 'ordinary course of business.' Accordingly, the financial value of these transactions does not lead to any financial adjustment to the Company's reported consolidated net profit for the period attributable to equity holders of the Parent ('Reported Net Profit'). For a summary of these transactions, if any, please refer to Material ordinary-course-of-business transactions that did not result in adjustment to the Reported Net Profit for the year ended 2023.

In addition to the above, there may be transactions that the management would consider as non-routine or non-operational as they are either one-off and not expected to recur in the future or are unusual in nature. The impact of such transactions on the Reported Net Profit are adjusted in the respective period of their realisations to arrive at adjusted net profit attributable to equity holders of the Parent ('Adjusted Net Profit') for the concerned period. For a summary of these transactions, if any, please refer to Material transactions that resulted in adjustment to the Reported Net Profit for the year ended 31 December 2023.

Material ordinary-course-of-business transactions that did not result in adjustment to the Reported Net Profit for the year ended 31 December 2023

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. At this point, the Company normally becomes entitled to recognise development fees 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 fees such as project and construction management fees, which are recognised 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 24 months to 31 December 2023.

Financial Closes[1] in the past 24 months (January 2022 – December 2023)

	Month	Project	Location	Total Investment Cost SAR Billion	Contracted Gross Capacity (Water in thousands)	Accounting Type[2]	ACWA Power's Effective Ownership[3]
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	1,125 MW	EAI	50.10%
	Oct-23	Azerbaijan wind IPP	Azerbaijan	1.1	240 MW	SUB	100.00%
	Sep-23	Rabigh 4 IWP	Saudi Arabia	2.5	600 m³/day	EAI	45.00%
	Aug-23	Layla PV IPP	Saudi Arabia	0.4	80 MW	EAI	40.10%
	July-23	Al Shuaibah PV 1 & 2	Saudi Arabia	8.2	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	0.7	200 MW	SUB	100.00%
	Mar-23	NEOM Green Hydrogen Company	Saudi Arabia	31.9	3,883 MW; 600 tonnes/day	EAI	33.33%
	Feb-23	Ar Rass PV IPP	Saudi Arabia	1.7	700 MW	EAI	40.10%
During 2022	Dec-22	Dzhankeldy Wind IPP	Uzbekistan	2.5	500 MW	SUB	100.00%
	Dec-22	Bash Wind IPP	Uzbekistan	2.6	500 MW	SUB	100.00%
	Oct-22	Shuaibah 3 IWP	Saudi Arabia	3.1	600 m³/day	EAI	68.00%

Source: Company information.

[1] Some of the projects may be in the process of closing the conditions precedent of their respective FCs.
[2] Equity accounted investee (EAI) or Subsidiary (SUB).
[3] ACWA Power's effective share as at 31 December 2023. Note that the current effective shareholding may be different.

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 period it achieves either ICOD or PCOD and subsequently begins recognising revenue and charging costs into the profit or loss statement. It is typically at this stage that NOMAC starts recognising its stable and visible O&M fees too. When the project company becomes eligible to distribute dividends and when such dividends are declared, the Company additionally receives dividends in proportion to its effective share in the project.

Depending on its effective ownership and control relationship in the project, the Company either consolidates the financial results of the project (subsidiary) or recognises its share of net income in the project (equity accounted investee) on the Company's consolidated financial statements.

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 24 months to 31 December 2023.

ICOD/PCOD in the past 24 months (January 2022 – December 2023)

	ICOD/ PCOD	Project[1]	Location	Online Capacity[2] (Water in thousands)	Remaining capacity to bring online	Accounting Type	ACWA Power's Effective Share[3]
During 2023	Nov-23	Hassyan IPP	UAE	2400 MW	–	EAI	26.95%
	Nov-23	Noor Energy 1 (PT Unit) 200MW	UAE	717 MW	233 MW	EAI	25.00%
	Oct-23	Sudair PV (Group2)	Saudi Arabia	1,125 MW	375 MW	EAI	35%
	Sep-23	Sudair PV (Group1)	Saudi Arabia	750 MW	750 MW	EAI	35%
	Jun-23	Shuaa Energy 3 PV	UAE	900 MW	–	EAI	24.00%
	Apr-23	Al Taweelah 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)100MW	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) 200MW	UAE	417 MW	533 MW	EAI	25.00%
During 2022	Oct-22	Shuaa Energy 3 PV	UAE	600 MW	300 MW	EAI	24.00%
	Aug-22	Shuaa Energy 3 PV	UAE	500 MW	400 MW	EAI	24.00%
	Aug-22	Umm Al Quwain IWP	UAE	682 m³/day	–	EAI	40.00%
	Jun-22	Al Dur 2 IWPP (Power)	Bahrain	1500 MW	–	EAI	60.00%
	Jun-22	Al Dur 2 IWPP (Water)	Bahrain	227 m³/day	–	EAI	60.00%
	Jun-22	Al Taweelah IWP	UAE	455 m³/day	454 m³/day	EAI	40.00%
	May-22	Shuaa Energy 3 PV	UAE	400 MW	500 MW	EAI	24.00%

Source: Company information.

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

[1] Some projects may not have reached their full operational capacity and obtained official certificate of full commercial operations from the Offtaker yet.
[2] Online capacity that is in operation as at the stated ICOD/PCOD date.
[3] ACWA Power's effective share as at 31 December 2023. Note that the current effective shareholding may be different.

Dividends and bonus shares

Dividends

On 28 February 2024, the Board of Directors approved a dividend payment of SAR 329 million (SAR 0.45 per share) for the year 2023, payable in 2024. The proposed dividends are subject to approval of the shareholders at the extraordinary General Assembly meeting.

Bonus shares

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 capitalisation of SR 14.6 million from the retained earnings by granting 1 share for every 500 shares owned.

The bonus share issuance is subject to approval of the shareholders at the ordinary General Assembly meeting.

Given the growth focus, the Company would like to optimise the cash distribution by retaining earnings to support the visible pipeline of new projects.

Divestments

Capital recycling is a core element of the Company's business model that provides us with an opportunity to improve our returns as well as to recycle our invested capital.

Below is a list of this type of transactions the Company has initiated or closed during the year ended 31 December 2023.

- Divestment of Vinh Hao 6 Power Joint Stock Company – completed.
- Divestment of Al Shuaibah PV 1 & 2 – completed.
- Divestment of Bash Wind & Dzhankeldy – in progress.
- Divestment of Oasis Holding Company and the Layla and Ar Rass Holding Company LLC – completed.
- Disposal of Shuaa Energy 3 P.S.C. – in progress.

Others

In addition to the above, there were several other transactions that were comprehensively covered in the quarterly investor reports published by the Company during 2023. Below is a list for the major material ones.

- Issuance of second tranche of Sukuk SAR 1,800 million (for more details refer Consolidated Financial Statements, Note 16.1).
- Approval of the long-term incentive plan (LTIP) and share buy-back programme. (For more details refer Consolidated Financial Statements, Note 24.3).
- Hassyan IPP tripartite coal settlement agreement (for more details refer Consolidated Financial Statements, Note 24.4).

Material transactions that resulted in adjustment to the Reported Net Profit for the year ended 31 December 2023

There was no transaction that resulted in adjustment to the Reported Net Profit for the year ended 31 December 2023. There were several adjustments for the year 2022, which are covered in detail in the Company's investor reports for the periods concerned.

Discussion and analysis of management's key financial indicators

ACWA Power's management uses several key performance metrics to review its financial performance. These metrics are defined and analysed below.

Operating income before impairment loss and other expenses

Operating income before impairment loss and other expenses represents ACWA Power's consolidated operating income before impairment loss and other expenses for the continuing operations and includes ACWA Power's share in net income of its equity accounted investees.

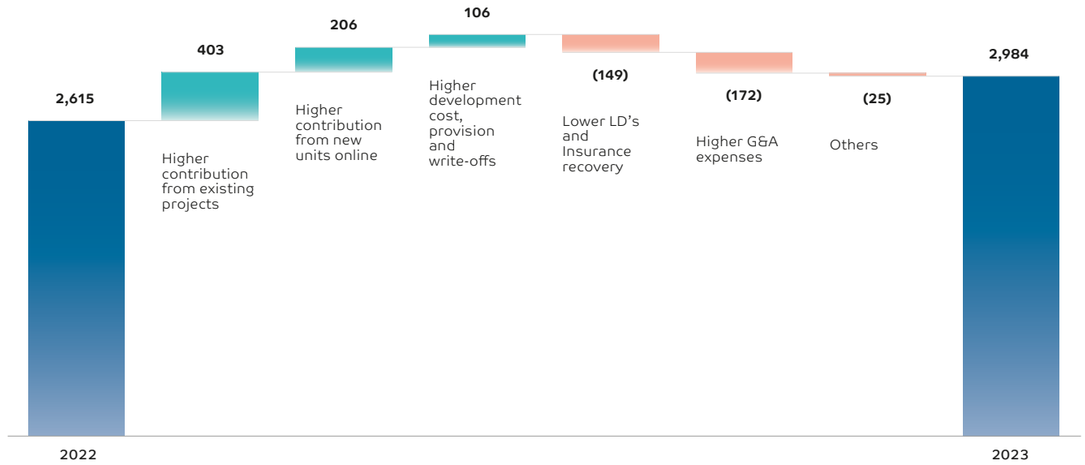
SAR in millions	2023	2022	% change
Operating income before impairment loss and other expenses	2,984	2,615	14.1%

Source: Audited financial statements.

For the year ended 31 December 2023 ('2023')

Operating income before impairment loss and other expenses for 2023 was SAR 2,984 million and 14.1%, or SAR 369 million, higher than SAR 2,615 million of 2022.

Operating Income[1] Variance 2023 vs. 2022 (SAR Million)



At SAR 609 million and comprising mainly both operating income of the subsidiaries including NOMAC and share in net income of the equity accounted investees; net higher contribution in aggregate from existing projects mainly due to better plant availability, and net new contribution in aggregate from projects that began billing during 2022 were the main drivers behind the increase. Higher development and construction management fees net of development cost provisions or write-offs have contributed an additional SAR 106 million favourable variance.

These favourable variances were partially offset by lower performance liquidated damage and insurance recoveries and higher corporate general and administration expenses primarily driven by staff costs in addition to professional consultation, digitalisation and communication expenses, the increase in general and administration expenses reflects both existing and anticipated business growth and geographic expansion in line with the Company's new Strategy 2.0.

[1] Before impairment loss and other expenses.

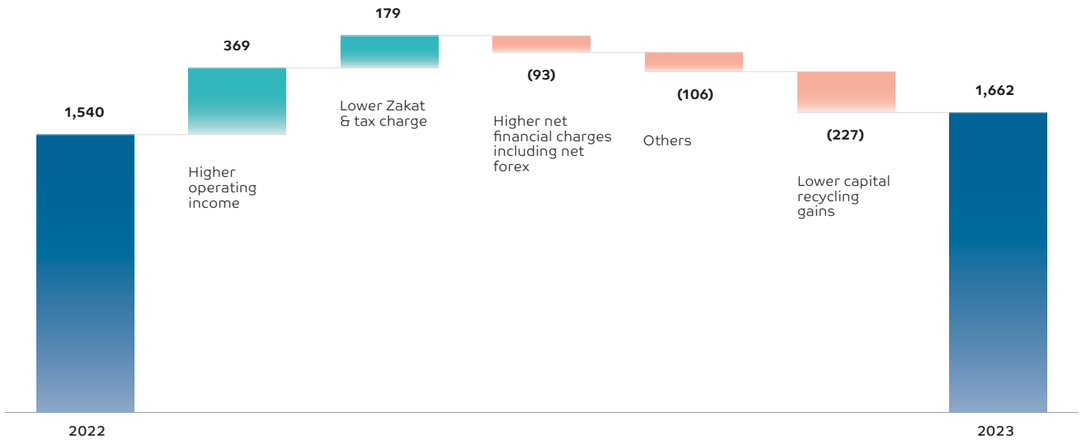
Reported Net Profit and Adjusted Net Profit attributable to equity holders of Parent

SAR in millions	2023	2022	% change
Profit attributable to equity holders of the Parent ('Reported Net Profit')	**1,662**	**1,540**	**7.9%**
Adjustments:			
Impairment in relation to subsidiaries and equity accounted investees, net	–	54	
Provision/(reversal) on Vietnam coal project development costs	–	(14)	
Others	–	(5)	
Net adjustments	**–**	**35**	
Adjusted profit attributable to equity holders of the Parent ('Adjusted net profit')	**1,662**	**1,575**	**5.5%**

Reported net profit attributable to Equity holders of Parent

Consolidated Profit Attributable to Equity Holders of the Parent 'Reported Net Profit' for 2023 was SAR 1,662 million and 7.9%, or SAR 122 million, higher than SAR 1,540 million of 2022.

Reported Net Profit[1] Variance 2023 vs. 2022 (SAR Million)



Higher operating income before impairment loss and other expenses (please refer to Operating income before impairment loss and other expenses) and lower zakat and tax charge (please refer Zakat & tax expenses) were main drivers behind the increase in Reported Net Profit (aggregate SAR 548 million). This increase was partially offset by:

- Higher net financial charges (net of 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 recognised on sale of 49% stake in Sirdarya in 2022 (please refer to note 34 of the audited financial statements).
- Others, net, by SAR 106 million, comprising following positive and (negative) variances:
  - lower other income by (SAR 184 million), 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 and sale of strategic fuel inventory in previous year,
  - higher share of non-controlling interest by (SAR 173 million), and
  - lower impairment loss and other expenses in 2023 by SAR 251 million.

[1] Attributable to equity holders of the Parent.

Adjusted profit attributable to equity holders of the Parent

Adjusted profit attributable to equity holders of the Parent ('Adjusted Net Profit') represents profit after adjusting the Reported Net Profit for the financial impact of non-routine, unusual or non-operational items.

Adjusted Net Profit for 2023 at

SAR 1,662 million

and 5.5% or SAR 87 million higher than SAR 1,575 million of 2022.

There was no transaction that the management considered for adjustment in 2023, and Adjusted Net Profit was the same as the Reported Net Profit (see above Consolidated Profit Attributable to Equity Holders of the Parent ('Reported Net Profit')). In 2022, there was an aggregate of SAR 35 million adjustment to the Reported Net Profit.

Zakat & tax expenses

SAR in millions	Full Year (12M)		
	2023	2022	% change
Zakat and tax charge	141	122	15.1%
Deferred tax (credit)/charge	(87)	111	(178.8)%
Zakat and tax (credit)/charge	**54**	**233**	**(76.9)%**

Source: Audited financial statements.

The Company has recorded Zakat and tax charge of SAR 54 million in 2023, 76.9% less than the Zakat and tax charge of SAR 233 million in 2022, largely as a result of SAR 87 million Deferred tax credit in 2023 versus a Deferred tax charge of SAR 111 million in 2022. Zakat and tax charge at SAR 141 million in 2023 versus SAR 122 million in 2022 is higher by SAR 18 million, or 15%, mainly due to higher revenues and unsettled long-term Sukuk liability of the Company in the current period.

Morocco Deferred tax impact:

The favourable variance 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 appreciated by 5.3% in the year ended 31 December 2023 (as compared to the 31 December 2022 rate), whereas it depreciated by 12.6% in the year ended 31 December 2022 (as compared to the 31 December 2021 rate).

The Plant in Morocco is 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.

Due to the appreciation of the Moroccan Dirham as explained above, the tax base has increased in December 2023, 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 2023.

Adjusted net profit by building block

SAR Millions	2023	2022	Inc./(Dec.)	Major variance drivers
Development and construction management services	944	804	140	• Higher development fees.
Share of Net Income of Projects before Impairment	959	667	292	• New projects coming online and better operational performance.
NOMAC profit attributable to owners of the Company	606	523	84	• New projects coming online and better operational performance.
Other operating income and Other income	805	682	123	• Better cash management and higher corporate service income.
Capital recycling gains/(loss)	(10)	221	(231)	• Lower gain due to gain on sale of 49% stake in Sirdarya in the previous year.
Corporate and Holding Entities Operating and Financing Costs and FX	(1,642)	(1,321)	(320)	• Higher G&A expenses and finance costs in line with the business growth.
Adjusted Net Profit	**1,662**	**1,575**	**87**	**Attributable to equity holders of the Parent, non-IFRS management KPI.**
Period adjustments	–	(35)	35	Period adjustments as defined by the Company.
Reported Net Profit	**1,662**	**1,540**	**122**	**Reported consolidated net profit attributable to equity holders of the Parent.**

Parent operating cash flow ('POCF')

POCF represents Parent level, or corporate, operating cash and comprises 1) distributions from the project companies and NOMAC; 2) development, construction management and other fee revenues; 3) cash generated by financial optimisation activities including partial and/or full divestments of the Company's investments, and by refinancings. These cash flows are then reduced by corporate general, administrative expenses, Zakat and tax expenses and capital expenditures as well as the financial expenses related to the ACWA39 non-recourse bond.

Parent Operating Cash Flow ('POCF')

SAR in millions	2023	2022	% change
Distributions	1,461	1,285	13.7%
Development, construction management and other fees & services	1,904	1,302	46.2%
Capital recycling	74	2,411	(96.9)%
Total cash inflow	**3,438**	**4,998**	**(31.2)%**
Total cash outflow	**(985)**	**(835)**	**18.0%**
Total Parent operating cash flow	**2,453**	**4,163**	**(41.1)%**
Total discretionary cash	9,089	9,015	0.8%
Total uses of cash	(4,376)	(4,718)	(7.2)%
Period end cash balance	**4,713**	**4,297**	**9.7%**

Source: Company Information.

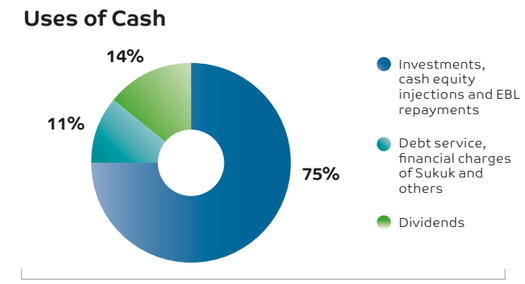
POCF for 2023 was SAR 2,453 million and 41.1%, or SAR 1,710 million, lower than SAR 4,163 million of 2022, mainly on account of lower cash inflows by SAR 1,560 million and higher cash outflows by SAR 150 million.

Despite remarkable increase in distributions and development and construction management fees from the project companies and NOMAC (SAR 778 million), higher capital recycling, refinancing and divestment proceeds in 2022 from RAWEC and SQWEC projects resulted in a negative variance in total cash inflows.

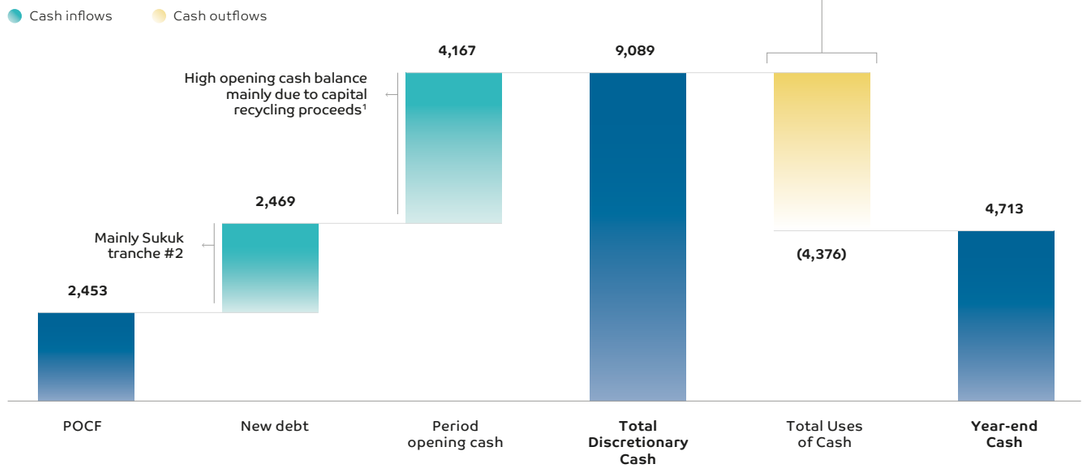
Higher cash outflow was mainly due to higher corporate general and administrative expenses Zakat & tax payment (see above analyses in corresponding sections), which was partially offset by lower financial expenses pertaining to the non-recourse ACWA39 bond on account of lower principal amount following partial buyback in the last quarter of 2022.

Total discretionary cash ('TDC') and year-end cash

Total Discretionary Cash comprises the corporate opening cash for the current year, the POCF and new equity or debt capital raised by the Company, if any, and represents the cash available for the Company's investment commitments, corporate debt servicing and dividends.Marginally higher than 2022, TDC for 2023 was SAR 9,089 million owing to the proceeds from Sukuk issued in 2023 in addition to other drawdowns, which more than offset the negative variance in POCF (see below).



Sources and Uses of funds, 2023 (SAR Million)



Source: Company information.

During 2023, 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 2022;
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 of any advances collected, of SAR 557 million.

Total year-end corporate or Parent-level cash on 31 December 2023 stood at SAR 4,713 million and was 9.7%, or SAR 416 million, higher than the year-end cash balance on 31 December 2022.

[1] Including cash movement of the period in NOMAC.

Parent level leverage

Parent level, or corporate, leverage consists of 1) borrowings with recourse to the Parent (the Company); 2) off-balance sheet guarantees in relation to the Equity Bridge Loans (EBLs) and other equity-related commitments including Equity Letters of Credit; and 3) options entered with lenders of mezzanine debt facilities by the Company's JVs or subsidiaries. Parent level net leverage represents Parent level leverage net of the Parent total year-end cash balance.

SAR in millions	31-Dec-23	31-Dec-22	% change
Corporate borrowings (incl. CRF)	4,588	2,792	64.3%
Project recourse borrowings	4,976	2,941	69.2%
Other financial liabilities	772	820	(5.9)%
Total on-balance sheet leverage	**10,336**	**6,554**	**57.7%**
Guarantees in relation to equity letter of credits & EBL	7,271	5,964	21.9%
Other equity commitments	598	598	0.0%
Total off-balance sheet leverage	**7,869**	**6,562**	**19.9%**
Total Parent leverage	**18,204**	**13,115**	**38.8%**
Less: Year end cash balance	(4,713)	(4,297)	9.7%
Parent net leverage	**13,491**	**8,819**	**53.0%**
Net tangible equity[1]	**14,724**	**13,753**	**7.1%**
Parent net leverage to POCF ratio	**5.50x**	**2.12x**	**3.38x**
Parent net leverage to Net tangible equity ratio	**0.92x**	**0.64x**	**0.28x**

Source: Audited financial statements and Company information.

Parent Net Leverage stood at SAR 13,491 million as of 31 December 2023 and was 53%, or SAR 4,672 million, higher than SAR 8,819 million as of 31 December 2022, driven by higher on- and off-balance sheet indebtedness, partially offset by higher year-end corporate cash balance.

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.

- 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.
- 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.
- 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 agreement (refer note 24 of consolidated financial statement), partially offset by interest unwinding on the PIF loan for the current year.

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 2022, 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 2023.

Leverage ratios

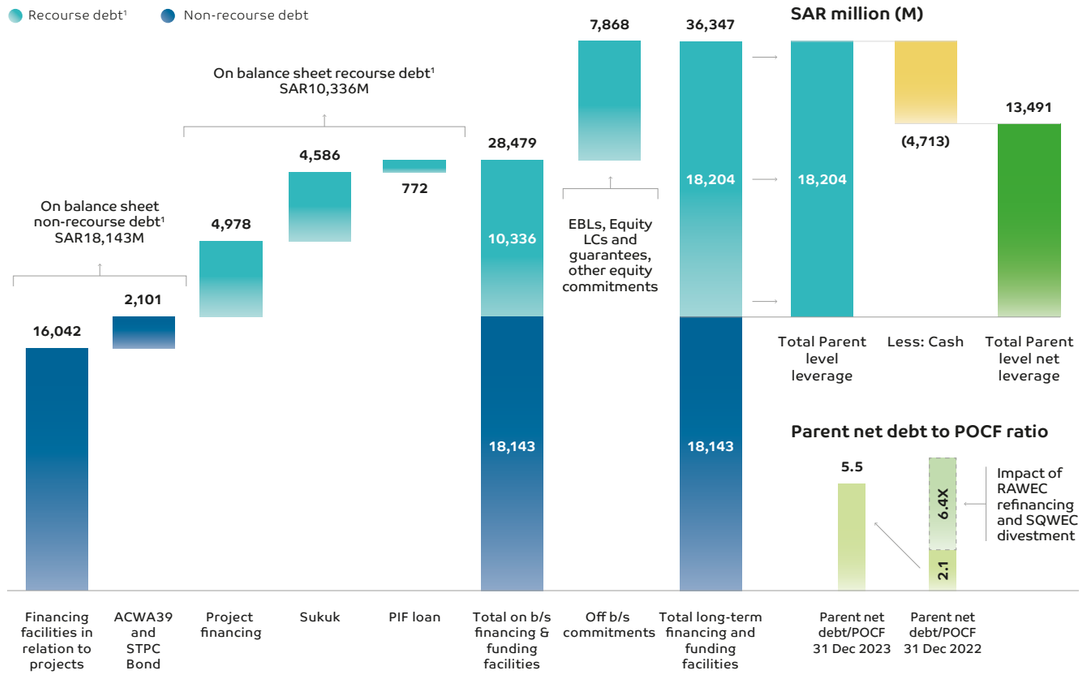
The Company's management monitors two ratios with respect to its net leverage position, namely Parent Net Leverage to POCF ratio and Parent Net Leverage to Net Tangible Equity ratio.

Due to higher Parent net leverage and lower POCF, the Parent Net Leverage to POCF ratio at 5.5x (times) as of 31 December 2023 was 3.4x higher than the ratio as of 31 December 2022. Notwithstanding, it is worthwhile mentioning that 5.5x times is well-below the Company's short-term target ratio guideline of between 6 to 7x, and within the Company's long-term target ratio guidance of below 6x.

Due to higher Parent net leverage, the Parent Net Leverage to Net Tangible Equity ratio at 0.92x (times) as of 31 December 2023 was 0.28x higher than the ratio as of 31 December 2022.

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

Parent-level debt



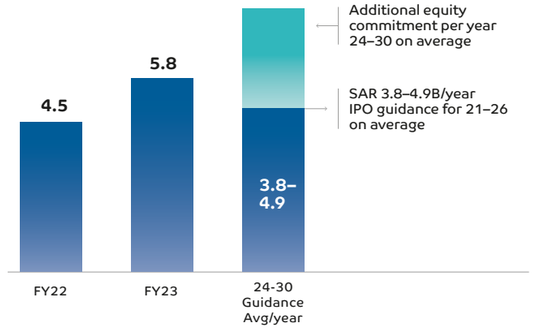
Source: Company information.

Equity Commitments

In line with our earlier guidance, equity commitments during 2023 at SAR 5.8 billion was 30% higher than the year 2022. The higher commitments are a reflection of our increased business development activity and the record number of financial closes during 2023. We expect the growth pipeline under strategy 2.0 will see us exceed the historical figures and the IPO guidance to be over USD 2.2 billion/year on average between 2024–2030.

Growth pipeline indicates to increased levels of equity commitments.

ACWA Power Equity Commitments (Billion SAR)



Significant Subsequent Events

On 5 January 2024, an arbitration tribunal of International Centre for Settlement of Investment Disputes ('ICSID') issued an award letter (the 'Award') in relation to ongoing arbitration between ACF Renewable Energy Limited (a 42.0% owned-subsidiary of ACWA Power) and Republic of Bulgaria. Pursuant to the Award, ACF Renewable Energy Limited is entitled to compensation of EUR 43.0 million (equivalent to SAR 176.30 million) net of legal cost. The Group's share in the net compensation is EUR 18.06 million (equivalent to SAR 74.05 million) and it will be recognised in the consolidated statement of profit or loss once the settlement formalities are completed.

[1] Includes debt pertaining to asset(s) classified as held for sale.

OPERATIONAL REVIEW

Operational highlights 2023

Health, Safety, & Environment (HSE)
0.01
Lost Time Injury Rate (LTIR)
2022: **0.02**

Power Availability
91.9%
2022: **87.2%**

Water Availability
96.4%
2022: **96.6%**

Safety, Operations and Sustainability Review

Safety

In 2023, ACWA Power undertook significant strides in Health, Safety, Security, and Environment (HSSE), guided by our overarching commitment to embedding accountability at the core of our operational ethos. Our concerted efforts, steered by the Safety Executive Committee (SEC) and the global Safety Task Force (STF), have established new benchmarks in safety and well-being, both within the organisation and across our project sites. Our aim remains zero harm across all our operations.

The Group accumulated 72 million man hours during 2023 and a Lost-time injury rate (LTIR) of 0.014 (rounded up to 0.01 in reporting), which was 22% lower versus 0.018 (rounded up to 0.02 in reporting) in 2022, due to lower number of lost time injuries. We are pleased to report NO fatalities in 2023.

Operational Performance

During 2023, we added ~5 GW of power and 979,000 m^3/day of desalinated water as incremental operational capacity, thus bringing the total operational capacity in our portfolio to ~30 GW of power and 5.5 million m^3/day of water representing fully operational assets and under-construction assets that have achieved partial commercial operations.

2023 has seen a marked improvement in the operational performance of our power portfolio, especially considering the challenges faced in 2022 on account of forced outages (FO) on some of our plants. The improved performance was mainly on account of the successful implementation of the first full year of the Reliability of Supply (RoS) programme that was launched in late 2022. This resulted in a significant reduction in the rate of plant outages (forced and planned) in our power portfolio bringing us much closer to more acceptable levels per industry standards.

We witnessed a significant improvement in our consolidated Power availability during 2023 by 470 basis points reaching 91.9% vs. 87.2% in 2022. The renewable segment within Power recorded 97.4% availability, with an improvement of more than 500 basis points compared to 2022 which was at 92.2%.

Our water portfolio continued to perform at commendable levels with the consolidated water availability registering 96.4% (YE2022: 96.6%).

2023 Reliability of Supply programme:
As a fundamental business priority, ACWA Power has implemented a comprehensive RoS enhancement programme in 2023 to mitigate fleet chronic issues caused by design weaknesses, manufacturing flaws, installation QC defects and commissioning issues. The programme aims to enhance the asset life cycle management process, increase asset availability and improve operational reliability. The implementation scope has covered different technologies, including PV, CSP, RO, Thermal, and CCGT plants, with +300 mitigation actions that have been discussed, validated, agreed, planned and executed in proper alignment with all stakeholders within +40 different plants.

Also, during 2023, we launched an O&M critical systems mitigation plan that proactively mitigates the critical failure modes that may lead to significant loss of major equipment enabling the O&M team to address the reliability risks in a structured approach and allocate the mitigation resources more effectively, reducing operational events within the O&M systems considered in the plan.

In 2024, we will continue with the second phase of the RoS enhancement programme in parallel with the O&M critical systems mitigation plan, focusing more on reliability culture, standardisation and governance to ensure the highest performance levels are sustained with the new growth plan.

Sustainability

Sustainability is intrinsic to our Company given that ACWA Power is engaged in seawater desalination and the global transition towards clean energy and providing innovative energy solutions. While doing this, we focus on creating shared value by prioritising the growth and well-being of our employees as well as making a positive impact in the communities where we operate.

Aligned with the Saudi Vision 2030, our global sustainability strategy aspires to accomplish ambitious goals including to be one of the top three international renewable energy players by 2030. With the 11 new renewable projects – in aggregate of ~7.1 GW capacity – that we added to our portfolio during 2023, the renewable capacity in our power portfolio is currently at 44.5% (YE2022: 39%), and we are well on track to achieve a 50/50 portfolio mix between renewables and flexible generation by 2030 and net zero emissions by 2050.

In 2023, we revisited our basis for reporting on greenhouse gas emissions and unified the methodology to enhance our GHG emissions reporting and disclosure. The new methodology improves the accuracy of operational data flow and provides more accurate representation of the GHG emissions. The data scope includes all operational assets that have achieved project Commercial Operations Date (COD). We have accordingly restated the data since 2020 ('Base Year'), our baseline year set for our 2050 net zero targets and our interim 2030 targets.

The total (Scope 1 and 2) CO_2e absolute emissions across all assets during 2023 measured as total portfolio of 64.82 million tonnes CO_2e which reduced by 7% compared to the absolute emissions in the Base Year (based on restated data). ACWA Power's share (based on equity ownership in each asset) of the absolute emissions was 27.79 million tonnes CO_2e. The CO_2e intensity of gross electricity generation during the same period measured as total portfolio of 0.44 tonnes CO_2e/MW, a 2% reduction compared to the intensity Base Year (based on restated data), and the intensity based on ACWA Power's equity share was 0.50 tonnes CO_2e/MWh. Compared to 2022, while the absolute emissions have increased, mainly due to new non-renewable assets coming into full operations during 2023 (Al Dur IWPP and Rabigh 2 IPP), the intensity has reduced due to an increase in generation from renewable sources.

As generation increases from renewable resources, our portfolio's specific emissions intensity (CO_2 g/kWh) reduces. Our net zero strategy calls for more than 75% of power capacity additions to be from renewable sources. Moreover, as part of Saudi Arabia and our other portfolio country's' decarbonisation strategy, we have or are in discussions with the relevant Offtakers to convert high-carbon to low-carbon emitting plants such as fuel-efficient natural gas plants with carbon capture capabilities or reverse osmosis water desalination plants.

Concurrently, we will continue to leverage our world-leading position in water desalination to actively engage in the development of technologically advanced and energy-efficient sustainable water desalination projects. Through highly efficient pumps, we have enabled the RO process to operate at a specific power consumption (SPC) of 2.78 kWh/m^3 m, and 87% reduction in SPC since 2010. In addition, captive PV solutions within our water desalination plants have resulted in lower GHG emissions. It is also worth noting that almost 100% of our water withdrawal source and water discharge destination in our portfolio is seawater.

In 2023 we conducted a thorough assessment, by utilising ESG rating agencies and sustainability reporting standards to further improve our sustainability reporting. More detailed disclosure on ESG and sustainability along with the revised methodology and updated data points is included in the Sustainability review on page 84.

Energy transition takes ambition...

ACWA Power aims to be net zero by 2050



The Neom Green Hydrogen Project is the world's largest utility-scale, commercially-based hydrogen facility powered entirely by renewable energy. The project, a joint venture with Air Products and Neom, will include a 4.6 GW solar and wind farm to power the plant and a dedicated jetty to transfer 1.2 million tonnes/year of green ammonia.

SUSTAINABILITY APPROACH



Noor Energy 1 IPP, Dubai, at 950 MW, is the largest single-site concentrated solar power plant in the world

Sustainability is central to ACWA Power given our culture and the nature of our operations, and we align sustainable operation with internationally recognised environmental, social and governance standards.

Our vision is to advance the ingenuity and entrepreneurship of the private sector and make available electricity and desalinated water in a reliable and responsible manner to support social development and the economic growth of nations.

Our values align well with accepted ESG principles and ACWA Power is well positioned to develop a comprehensive sustainability strategy and a high-standard of sustainability reporting.

While sustainability is intrinsic to our Company, we do acknowledge that our dynamic business operation has grown rapidly and successfully and requires further enhancement of our ESG management and reporting.

In 2023 we conducted a thorough assessment, by using ESG rating agencies and sustainability reporting standards, to further improve our sustainability reporting. Topics such as air quality, waste management and water stress are reported for the first time as a Group in this year's report. This is also the first time we have obtained third-party limited assurance on selective sustainability quantitative indicators. For further information, please refer to page 244.

We have strengthened our management team and we aim to make our sustainability management and reporting comprehensive so that it covers material and sector-specific topics recommended by SASB.

We also plan further stakeholder engagement and to refresh our ESG materiality assessments in the near future.

Health and Safety is clearly a primary objective, and it shows in our 2023 safety record, with only 20 reportable injuries during 72 million man hours worked and a Lost Time Injury (LTI) rate of 0.01. Our aim remains zero-harm across all our operations.

As we expand our sustainability team and capabilities, we will be improving our data capture and reporting. Our intention is to comply fully with the GRI framework in due course.

We also align with the recommendations and frameworks provided by other globally respected organisations, including Sustainability Accounting Standards Board (SASB), the Taskforce on Climate-related Financial Disclosures (TCFD), the World Economic Forum (WEF) and the United Nations Global Compact (UNGC). As ACWA Power reports based on TCFD, the Company acknowledges the emerging global standard of IFRS Sustainability Reporting standards (S1 and S2) and is committed to transitioning towards disclosure according to IFRS. We intend to commission an independent consultancy to conduct external assessment of our sustainability reporting in the near future.

2023 highlights:

OVERARCHING TARGETS

50%
GHG emissions intensity reduction of our electricity generation by 2030

50/50
green-brown ratio by 2030

Net zero
by 2050

INDICATORS

55.1 GW
Gross power capacity
24% ▲

0.44 t CO_2e/MWh[1]
CO_2e intensity of gross electricity generation
3% ▼

44.5 % Green-brown ratio
Gross power capacity from renewables as percentage of the total
5.5% ▲

7.6 million m³/day
Water desalination total capacity
23% ▲

0.01[1, 2]
LTI rate
22% ▲

208,560
Accumulative trees planted
3,221% ▲

United Nations Global Compact

The 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.

Sustainable Development Goals (SDGs)

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 2015, as part of the 2030 Agenda for Sustainable Development which set out a 15-year plan to achieve the Goals.

ACWA Power has selected the SDGs which are most aligned with our activities and impacts, and these are shown in colour within the infographic below.

4 CORE SDGS WHERE ACWA POWER HAS SIGNIFICANT AND DIRECT CONTRIBUTION



8 SUPPORTIVE SDGS WHERE ACWA POWER CAN LEVERAGE ITS INFLUENCE



Management of environmental impact and risk

ACWA Power is committed to operating with minimal environmental risk and impact, not only to safeguard the health and safety of our workforce and communities, but also to reduce our impact on the environment. We actively prioritise efficiency across our operations to ensure that any environmental impact and risk are managed responsibly.

Environmental and Social Impact Assessments (ESIA)

For all new assets, we commission independent consultants to conduct Environmental and Social Impact Assessments (ESIAs) during the feasibility assessment, development and acquisition phases, to ensure minimal environmental and social impact. ESIAs identify and assess potential environmental impacts resulting from the project's construction and ongoing operational activities.

Mitigation and management measures are implemented based on ESIAs to avoid or minimise environmental impact. Our ESIA scope includes air quality, marine water, sediment and ecology, waste management, soil and groundwater, terrestrial ecology, noise, traffic, cultural heritage, community health, safety and security, workers' conditions, and occupational health and safety.

Since 2010, ACWA Power has had an Environmental Management System (EMS) that meets the requirements of the ISO 14001:2015 standard, which has been certified to the ISO 45001 standard, an occupational health and safety standard designed to enable organisations to control risks and improve operational health and safety performance.

Compliance with these standards is regularly monitored and supervised by independent environmental consultants.

[1] Independently verified by external party, with assurance statement on page 244.
[2] Based on injury rate per 200,000 hours worked.

OUR ESG FRAMEWORK

In 2021, we conducted an extensive stakeholder survey to produce a comprehensive materiality assessment, which helped us identify the most material topics and will be updated this year.

We supplemented our initial materiality assessment by referencing it with the GRI reporting standards, as well as industry best practice.

The materiality assessment helped us to identify our core ESG focus topics and indicators, which include climate change, water, health and safety and governance, and to develop our ESG framework accordingly.

We see materiality as dynamic and want to ensure agility in our ESG strategy and framework development. It was important to ensure we have dedicated experts working towards implementing the framework with cross-functional working teams set up to implement the initiatives.

Our stakeholder requirements and regulatory landscape are constantly evolving and we review and update our ESG strategy and framework accordingly.

Our framework illustrates the alignment of our focus areas with Saudi Vision 2030 and our selected United Nations' Sustainable Development Goals.

ACWA Power's contribution to Saudi Vision 2030 and SDGs

ENVIRONMENT

Leading energy transition and preserving ecosystem through sustainable practices.

SOCIAL

Fostering employee growth and empowering communities.

GOVERNANCE

Upholding integrity while driving business growth, ensuring transparency and accountability.

Saudi Vision 2030

GDP CONTRIBUTION
Expansion of non-oil GDP to promote economic diversification

JOB CREATION & TALENT DEVELOPMENT
Job creation and skill development initiatives for KSA workforce

LOCAL INDUSTRY GROWTH
Enabling local manufacturing in components for renewables, water,and hydrogen

ENABLE GREEN AMBITION
Supporting KSA global leadership in renewables and clean energy exports

STAKEHOLDER VALUE CREATION
Wealth created for shareholders, financial institutions, insurance companies and offtakers

R&D AND INNOVATION
Driving Saudi innovation hub and think tank in green energy

United Nations' SDGs

CORE

6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
13 CLIMATE ACTION

SUPPORTIVE

1 NO POVERTY
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
9 INDUSTRY INNOVATION AND INFRASTRUCTURE
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
17 PARTNERSHIPS FOR THE GOALS



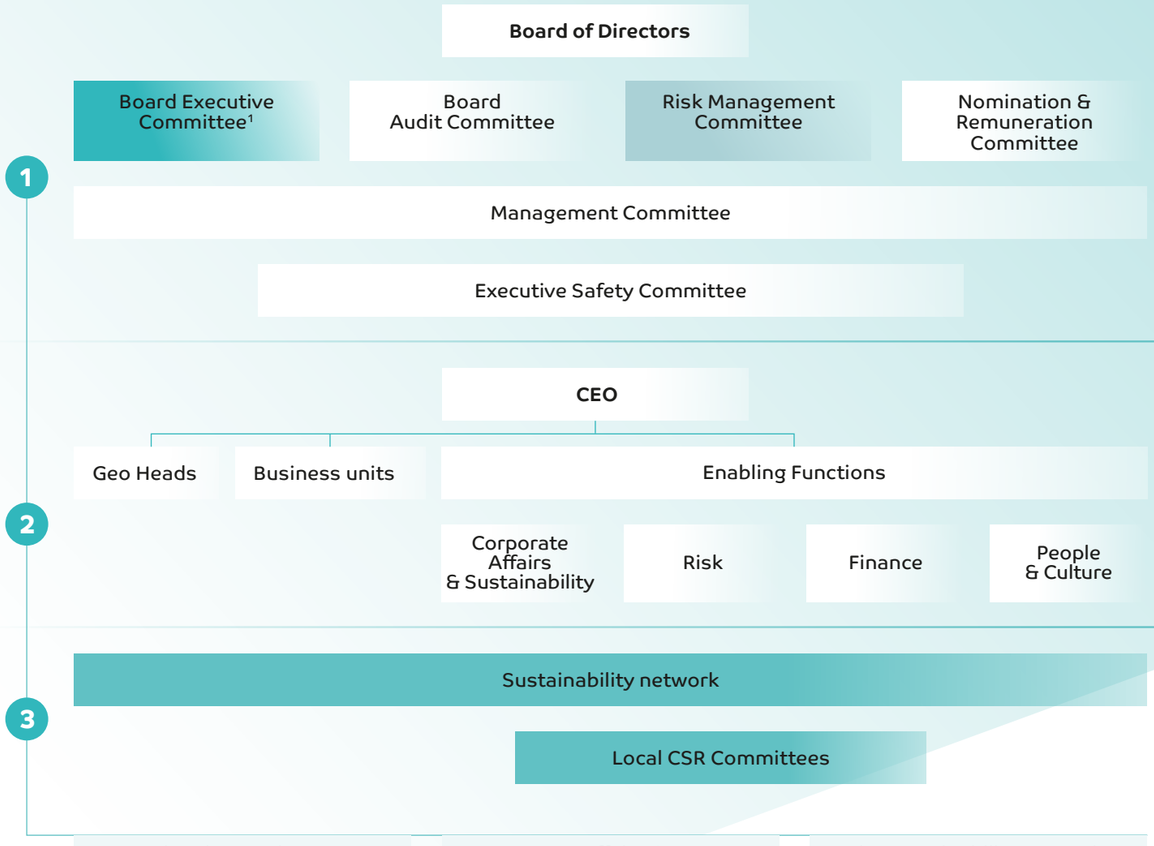
12 of 17
United Nations' Sustainable Development Goals by 2030

SUSTAINABILITY GOVERNANCE

In the year 2021, ACWA Power revised its governance and management processes to better support the Company in delivering on its ambitious ESG strategy with the Board of Directors directly overseeing ESG. In line with the Company's governance, the Board of Directors are responsible for approving the Company's ESG strategy and targets, and monitoring and overseeing progress.

The Company's governance framework, provided below, outlines ESG and sustainability within the overall decision-making processes.

CURRENT GOVERNANCE STRUCTURE AT ACWA POWER



1. Board and Committees provide oversight of sustainability and ESG.
2. Corporate Affairs & Sustainability and other enabling functions, along with the business units, report to CEO, who heads up the Management Committee.
3. The sustainability network, guided by the Sustainability & CSR department, includes additional representatives of business units and regions.

[1] Sustainability is reviewed by the BEC.

ACWA Power's dedicated Sustainability and CSR function continued to drive both overall ESG strategy and the Company's reporting to internal and external stakeholders in the year 2023.

The sustainability and CSR function will continue to enable the implementation of ESG and sustainability initiatives by:

- Developing frameworks and procedures relating to GHG inventory and ESG monitoring.
- Developing the CSR framework and monitoring its implementation at corporate and local level.
- Organising a company-wide 'sustainability network' to foster commitment to sustainability and cascading it to asset level to enhance the impact of our sustainability efforts.

The role of the Board of Directors

The Board is the highest governing authority in the Company and is responsible for reviewing and approving its overall direction. This includes the review and approval of strategies and plans including, but not limited to, vision and corporate strategy, operations, ESG, funding, investments, and divestments.

The governance structure includes four respective Board Committees, established to assist the Board in fulfilling its fiduciary responsibilities by providing independent advice, guidance, and oversight with respect to their respective areas of expertise.

Underpinning our commitment to environmental stewardship, the Board has established ambitious climate objectives, aiming for carbon net zero by 2050 and a 50% reduction in Specific Emissions Intensity (t CO_2e/MWh) by 2030, relative to 2020 levels, the baseline year. For each project, ACWA Power conducts an analysis of its emissions and includes the project's impact on overall portfolio emissions in an Investment Memo, based on which the Board Executive Committee makes investment decisions.

We therefore ensure that ESG factors are integrated into our capital allocation process. The Board receives regular updates, at least once per year (sometimes more frequently) with the forecast emissions for the Company up to 2050, inclusive of planned growth.

The Board conducts annual reviews of performance relative to long-term targets and regularly evaluates ESG strategy, performance and targets. Members of the Board are proficient in sustainability practices and have the necessary skills to address risks related to sustainability issues.

Recognising that sustainability is dynamic, the Board is considering setting up a dedicated Committee to steer our ESG strategy, with provisions for quarterly reporting. Furthermore, a series of focused sessions on 'Sustainability' are scheduled for 2024, demonstrating our ongoing commitment to this critical agenda.

→ For comprehensive information on the governance of ACWA Power see the Board report on page 146.

SUSTAINABILITY STRATEGY

ACWA Power's growth strategy sets the ambition on how much capacity we plan to have by 2030, broken down into renewable power, flexible generation (allowing for periodic full load, this includes fast start-up, shutdown, but also operation at part load), green hydrogen and water desalination. Under this plan, to triple our assets by 2030, more than 75% of power additions will be from renewables. These additions will ensure that we comfortably meet our 2030 target to reduce our emissions intensity (t CO_2e/MWh) by 50% relative to our 2020 level.

Additionally, we have plans to increase the amount of renewable power being used as the source of energy in our water desalination business, to further support the decarbonisation of our water portfolio.

Our strategy is shaped by our stakeholders' priorities and, as such, we engage with a variety of key stakeholders, including offtakers, partners, shareholders and suppliers.

ACWA Power's digital team has been building a comprehensive ESG platform, which will source all the required ESG data points, and help us better monitor and report our ESG-related KPIs.

In light of our recently announced ambitious 2030 growth plan, we are reviewing our sustainability strategy and following a planned stakeholder engagement exercise and materiality assessment, we will publish our new strategy.

ACWA Power is listed on the Saudi Exchange, which supports the UN Sustainable Stock Exchanges Initiative. The Saudi Exchange has ESG Disclosure Guidelines and encourages sustainable investment, in collaboration with market participants such as issuers and investors. ACWA Power aligns with the Saudi Exchange and recognises that our ESG strategy is integral to our business strategy and that it is a source of long-term value creation.

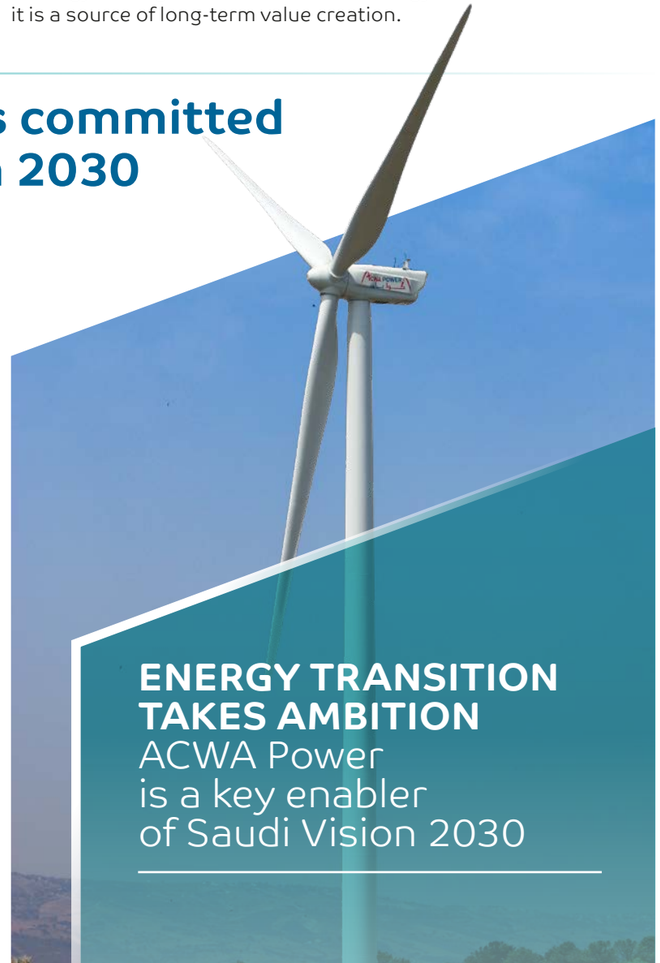
ACWA Power is committed to Saudi Vision 2030

ACWA Power will continue to lead the Kingdom's energy transition as a national and global decarbonisation champion.

- The Kingdom's aims to achieve an optimal energy mix for electricity production by having gas and renewable energy at approximately 50% each by 2030.
- 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.
- Saudi Ministry of Energy has announced 20GW[1] renewable deployment every year till 2030.
- We have identified 13.6 GW of renewables projects under the PIF renewables programme.

ACWA Power aligns its sustainability strategy with Saudi Vision 2030 objectives for an ambitious nation, thriving economy and vibrant society. ACWA Power's central focus on energy transition, and its renewable energy and water projects, contribute to the Kingdom's diversification policy, create local employment, provide career opportunities for women and help to give the nation a sustainable future that is less dependent on the oil industry.

[1] Renewable energy capacity in DC



The cornerstone of our ESG approach and strategy is centred on energy transition, low-carbon product leadership, water management, health and safety, and corporate governance.

As such, we are responding to a changing society, as well as supporting the shift to a low-carbon economy, while capturing growing business opportunities in energy transition.

This strategy also enables the investment community to assess our performance against ESG-related indicators, and it demonstrates transparency and the effective management of our activities.

AMBITIOUS NATION

ACWA Power is using its nimble entrepreneurialism, innovative capacity and speed to market to advance the Kingdom at home and abroad.

THRIVING ECONOMY

ACWA Power's energy transition is diversifying the economy from reliance on fossil fuels and creating local employment.

VIBRANT SOCIETY

ACWA Power works closely with government 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.

ACWA POWER'S ESG STRATEGY HAS THE FOLLOWING KEY COMPONENTS:

Environmental

- Climate change
- Emissions
- Energy efficiency and consumption
- Environmental management
- Waste management and circular economy
- Air quality
- Biodiversity
- Water management

Social

- Employees
- Health and Safety
- Local communities

Governance

- Corporate behaviour
- Code of conduct
- Anti-corruption
- Whistleblowing programme and grievance procedure
- Disclosure and transparency

Reporting frameworks

ACWA Power has reported the information for the period from 1 January 2023 to 31 December 2023 in reference to the GRI reporting framework (2021). In addition, we have referenced other standards such as GHG protocol and Occupational Safety and Health Administration (OHSA), which demonstrate a high degree of alignment with the GRI guidelines, to calculate certain indicators. Where applicable, relevant recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), SASB standards (Electric utilities and power generators 2018, Solar technology and project developers 2018), World Economic Forum and Future Investment Initiative Institute metrics have also been used. Indexes of the standards and recommendations used can be found in the Appendix.

→ For more information, see Appendix on page 216.

Roadmap to net zero target (2050)

Our strategy has set ambitions for growing our capacity across our key businesses, renewable power, flexible generation, green hydrogen and water desalination by 2030. Under this plan, more than 75% of power additions will be from renewables and battery storage. To meet our net zero target, we will first reduce and remove our operational emissions, but as flexible generation capacity may still be required even in 2050, some of the plants could still be in operation in 2050, though capacity utilisation levels are expected to be very low, with most plants expected to run as peak-load only. Being a power technology leader, we will continue to monitor and develop the required solutions to help us decarbonise our flexible generation fleet and be net zero by 2050. This will include such initiatives as fuel switching with potential substitution or mixing of natural gas with green hydrogen, Carbon Capture and Storage (CCS), and Carbon Capture Utilisation and Storage (CCUS) to further reduce CO_2 emissions.

Sustainable procurement

We give due consideration to the environmental, social and economic consequences of our procurement practices and raw material sourcing. Our procurement policy and the supporting procedures set out how the procurement process operates, its application standards, and clarifies the roles and responsibilities of those involved in procurement.

In addition, the policy extends to any third-party organisations spending ACWA Power funds, ensuring that any organisations with which we collaborate, such as contractors, also consider their environmental, social and economic impact in their procurement practices.

Our six procurement principles

To ensure the ingenuity and entrepreneurship of the private sector and make available electricity and desalinated water in a reliable manner to support social development and economic growth of nations.

- Comprehensive solutions to meet the requirements of customers
- Transparent and independent relationships with partners
- Rigorous bottom-up pricing approach to bid at the lowest possible price
- Cost-effective funding structure
- High-quality, culturally-diverse and empowered talent
- Commitment to sustainability, health, safety and corporate social responsibility
- Commitment to Islamic (Shari'a) compliant activities

Engaging our suppliers
Statutory and regulatory compliance
Corporate Social Responsibility
Disclosure of Related Party Transactions
Prevention of fraud & controls
Ethics – fair and transparent relationships

Maximise Shareholder Value
Develop People to Deliver Growth Strategy
Enhance HSE Performance

Local content

The Company is committed to supporting and implementing local content across all project types during construction and operation. The minimum requirement for local content during construction is 15% and can reach up to 40% depending on the project type, while the minimum during operation is 50%. All aligned and in accordance with the relevant prescriptions from the authorities as to how compute the local content contribution in our projects. This requires the inclusion and development of local suppliers, local employment and training. ACWA Power exceeded local content targets required in the Kingdom for its under-construction projects and strives to continue this track record in the projects underconstruction and in operation. Furthermore, the actual spent in Saudi based companies and for construction activities in the Kingdom is much higher and ranges from 40 to 75% depending on project and technology. Approximately 60% of ACWA Power's active projects are located in the Kingdom. The initial estimation for local content score for ACWA Power as a corporate in the Kingdom in 2022 and 2023 has been around 40%. This covers local content across goods and services, labour, training, R&D and depreciation of assets in the Kingdom.

Workforce localisation

We are dedicated to increasing the proportion of local employees across all levels of our organisation by fostering local talent and building a more resilient, innovative, and inclusive organisation. Our vision for workforce localisation is to create a workplace that reflects the diversity and strengths of the communities we serve. Our workforce localisation strategy focuses on hiring and developing local talent, which helps to build stronger local economies and promotes inclusive growth. To enable this, we actively collaborate with local educational institutions, vocational training centres, and community organisations to create pathways for local talent to join our workforce.

These partnerships help us to identify potential candidates and ensure that our training programs align with the needs of the local job market.

Our commitment to developing and hiring local talent can be assessed by the fact that 9 out of 12 countries, where we operate at scale, have an 80% or higher localisation rate. Through our collaboration with institutes like EWA (Energy & Water Academy) in KSA and Shirin College in Uzbekistan, we're embedding localisation in our talent pipeline, resulting in us maintaining a 69% and 88% localisation rate in KSA and Uzbekistan, respectively.

STAKEHOLDER ENGAGEMENT

We conducted an extensive stakeholder survey, among 86 ACWA Power employees, to produce a comprehensive materiality assessment, which helped us identify the most material topics and will be updated this year. We supplemented our initial materiality assessment by referencing it with the GRI reporting standards, as well as industry best practice. The materiality assessment helped us to identify our core ESG focus topics and indicators, which include climate change, water, health and safety, and governance, and to develop our ESG framework accordingly.

Our key stakeholders include:

- Employees.
- Suppliers.
- Partners.
- Shareholders.
- Governments.
- Power and water providers.
- Educational institutions.
- End customers.

We intend to conduct broader stakeholder engagement, on a qualitative basis, with representatives of the above groups, in the near future.

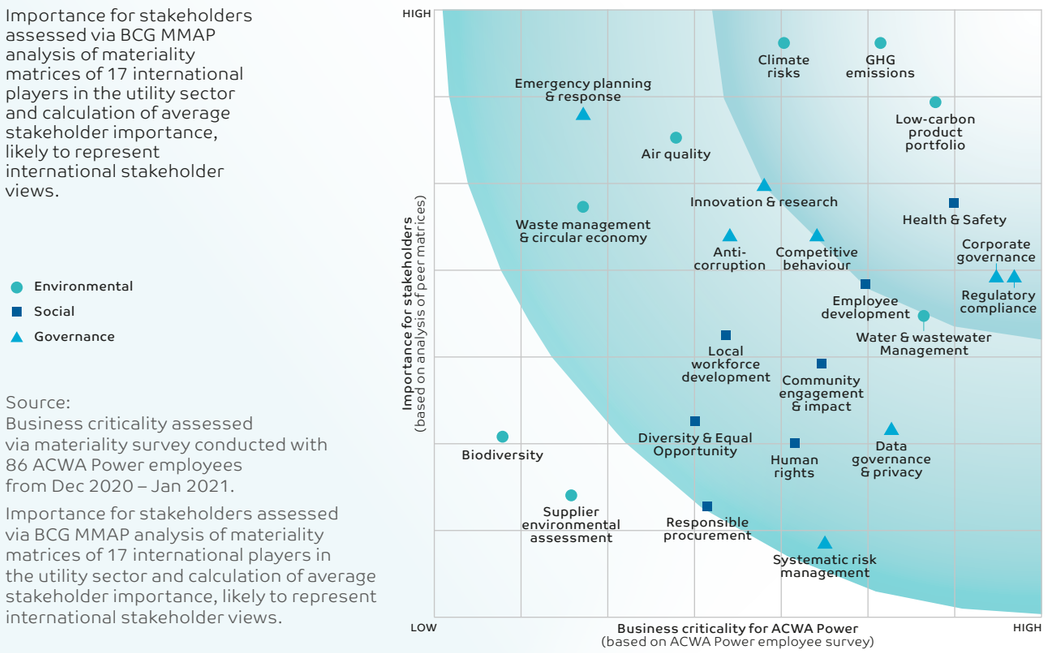
WE DEVELOP ACWA POWER'S MATERIALITY MATRIX IN SIX STEPS

1. **Define long list of topics to consider**
   Leveraging peer matrices and industry standards (SASB and GRI)
2. **Shorten list to 23 topics**
   Taking out duplicates or irrelevant topics, merging topics
3. **Conduct survey on business criticality**
   Conducting survey with ACWA Power employees, analysing peer matrices to incorporate external stakeholder views
4. **Develop draft materiality matrix**
   Consolidating inputs from step 3
5. **Prioritise topics (comply-compete-lead)**
   Reviewing peers' targets, prioritising topics in comply-compete-lead logic during workshop
6. **Finalise materiality matrix**
   Consolidating outputs from top management workshop

Source: BCG care experience.

Final ACWA Power materiality matrix

Importance for stakeholders assessed via BCG MMAP analysis of materiality matrices of 17 international players in the utility sector and calculation of average stakeholder importance, likely to represent international stakeholder views.



Source:
Business criticality assessed via materiality survey conducted with 86 ACWA Power employees from Dec 2020 – Jan 2021.

Importance for stakeholders assessed via BCG MMAP analysis of materiality matrices of 17 international players in the utility sector and calculation of average stakeholder importance, likely to represent international stakeholder views.

CLIMATE CHANGE

At the heart of our strategy lies our publicly-declared target to reduce the GHG intensity of our electricity production from our portfolio by 50% by 2030 relative to 2020, largely enabled by a rapidly rising share of renewables generation capacity, reaching a 50/50 green-brown ratio by 2030 ('green' refers to renewable energy source, 'brown' indicates fossil fuel-based energy sources in a power generation asset). We commit to developing and implementing measures to address the impacts of climate change, including the reduction of GHG emissions, aiming for net zero emissions from our portfolio by 2050.

Alignment with the Task Force on Climate-Related Financial Disclosures (TCFD)

We seek to provide investors and other stakeholders with information enabling them to assess the adequacy of our approach to climate change and our ability to manage the associated risks and opportunities.

TCFD alignment progress

Theme	Recommended TCFD disclosure	Status 2022	Plan 2023	Plan 2024
Governance	Disclose the Company's governance around climate-related risks and opportunities.	▶		
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the Company's businesses, strategy, and financial planning where such information is material.		▶	
Risk management	Disclose how the Company identifies, assesses, and manages climate-related risks.	▶		
Metrics and targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.			▶

▶ — Commence



Risk identification

In 2022, we conducted a qualitative exercise to identify risks and opportunities that might arise over the next 30 years based on the current policy environment.

This exercise leveraged all the internal and external experience and knowledge including internal experts, the Intergovernmental Panel on Climate Change (IPCC) reports, and peers.

The table here shows the map of the climate risks:



Climate risk matrix (threats)

	Technology/activity							
	Renewables				Desalination		Thermal power	
Climate change elements	PV	CSP tower	CSP parabolic	Wind	Thermal	Membrane	Steam generator	CCGT
Heat & cold								
Wet & dry								
Wind								
Snow & ice								
Coastal								
Oceanic								
Additional risks[1]								

High — Low

Climate risk matrix (opportunities)

	Technology/activity							
	Renewables				Desalination		Thermal power	
Climate change elements	PV	CSP tower	CSP parabolic	Wind	Thermal	Membrane	Steam generator	CCGT
Heat & cold								
Wet & dry								
Wind								
Snow & ice								
Coastal								
Oceanic								
Additional risks[2]								

High — Low

[1] Air pollution weather, atmospheric CO_2 at surface, level of lakes, radiation at surface, relative humidity.
[2] Air pollution weather, radiation at surface, air pressure.

EMISSIONS

Our emissions

We aim to meet our targets by focusing our investments on renewables and transitional, low CO_2e emitting assets, capturing viable fuel-switch opportunities and optimising the energy efficiency of our portfolio.

CO_2 refers exclusively to carbon dioxide emissions, while CO_2 equivalent (CO_2e) comprises the measurement of the impact of all the greenhouse gases, such as CO_2, methane and nitrous oxide.

We monitor, measure and report on our portfolio's absolute Scope 1 and Scope 2 emissions and the emission intensity. While our targets are based on ACWA Power's equity share in our projects, we also report total portfolio metrics.

Scope 1 emissions covers ACWA Power's direct Greenhouse Gas (GHG) emissions, for example, emissions from stationary fuel combustion from our operational assets.

Scope 2 emissions covers ACWA Power's indirect emissions, for example due to purchases of steam and electricity from the grid.

Scope 1 emissions are a function of our portfolio mix and derive mainly from our conventional power plants and thermal water plants. We are endeavouring to convert our higher emitting oil-fired plants to gas. Additionally, our strategy calls for about three quarters of power capacity additions to be from renewable power. Under this plan, our portfolio will become 50% renewable before 2030 (up from 44.5% today).

Initiatives to reduce emissions from our assets are undertaken in two key areas: (i) reducing fuel consumption by lowering the heat rate of our thermal plants and the specific consumption at our desalination plants, and (ii) increasing renewable energy production. Our key initiatives include:

- Convert the oil-fired Shuaibah IWPP project, which is one of our largest CO_2 emitters, to a new SWRO plant that will be powered by a mix of electricity from the grid and 53 MW of captive renewable power. This will be operational in 2025.
- We are engaging with the offtaker to convert one of our three other ACWA Power oil-fired projects to gas. The other two are integrated with oil-refining complexes and this makes such a conversion challenging at this stage. ACWA Power will continue to monitor all possible solutions to efficiently reduce the environmental impact of these plants.
- The Jazlah IWP water desalination project, which began operating in 2023, is powered partially by 42 MW of captive renewable power.

In conducting our emission calculations for 2023, we aligned with the most relevant internationally recognised GHG accounting and reporting standards:

- GHG Protocol Corporate Accounting and Reporting Standard (WBCSD & WRI, 2004).
- GHG Protocol Scope 2 Guidance (WBCSD & WRI, 2015).

We excluded the Scope 1 emissions from the owned transportation fleet (mobile fuel combustion emissions). We also excluded the Scope 2 emissions from grid-supplied electricity and district heating/cooling consumption, associated with owned offices. Such emissions are not material or significant.

In 2023, the total (Scope 1 and Scope 2) CO_2e emissions across all assets measured 64.82 M t, of which ACWA Power's share was 27.79 M t.

Since 2021, we have calculated the CO_2e emission intensity of our gross electricity generation by including Scope 1 and Scope 2 emissions from electricity production. We have calculated the CO_2e intensity figure retrospectively for 2020 and 2019 using this same approach. We also calculate the CO_2e emission intensity of Reverse Osmosis (RO) water desalination as well as of thermal water desalination.

In 2023, we added 7.1 GW of renewable capacity, which is about twice our flexible generation energy additions, for the same period. As generation increases from renewable resources, our portfolio's specific emissions intensity (t CO_2e/MWh) reduces. We have thus far achieved a 6% emission intensity reduction compared to 2020 baseline. We are on track to achieve our target of 50% emission intensity reduction by 2030 vs. 2020.

Boundary, methodology and base year

Boundary definition

The boundary is the operational assets in which ACWA Power has equity shares and which have reached full plant Commercial Operation Date (COD).

Enhanced GHG emissions accounting methodology

In our pursuit of continuous improvement, we have created an accounting methodology based on GHG Protocol for assessing our GHG emissions. This updated approach is designed to enhance the accuracy of our reporting and disclosure processes by refining the flow of operational data. With a defined boundary, it provides a more accurate representation of our GHG emissions.

Previously, we reported total GHG emissions (M t CO_2e) which include Scope 1 and Scope 2 for 2020, 2021 and 2022 as 67.08, 70.53 and 74.95, respectively. As our emissions target baseline year is 2020, we have restated GHG emissions for prior years. The restated figures are now 66.10, 67.97 and 62.36. Furthermore, the 2023 GHG emissions are assured by third-party limited assurance.

Base year

The base year for GHG emissions target is 2020.

Key data

Total portfolio basis

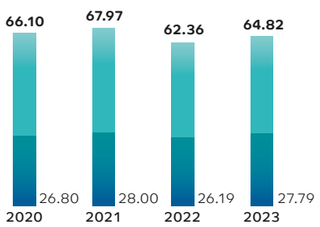
Please note that the emissions data below is rounded to two decimal places and therefore 0.00 signifies that the value has been rounded down and that the actual value may be, for example, 0.003 or 0.0001. A hyphen signifies zero.

Indicator[1]	2020	2021	2022	2023
Scope 1 and Scope 2 Emissions (M t CO_2e)	66.10	67.97	62.36	64.82
CO_2e intensity of gross electricity generation (t CO_2e/MWh)	0.47	0.47	0.45	0.44
CO_2e intensity of RO water desalination (kg CO_2e/m^3)	1.34	1.18	1.55	1.19
CO_2e intensity of thermal water desalination (kg CO_2e/m^3)	12.15	11.91	11.98	12.27
CO_2e intensity of revenue[2] (kg CO_2e/SAR)	13.69	12.98	11.82	10.63

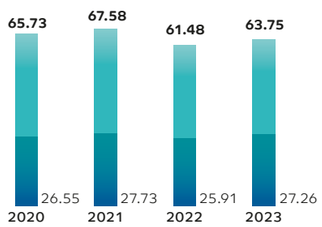
[1] Values are independently verified by an external party. Refer to the assurance report on page 244.
[2] The intensity metric accounts for Scope 1 and Scope 2 emissions from total portfolio.

CO_2e Emissions – Gross

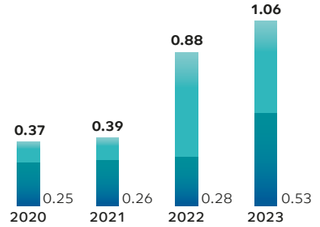
Total Scope 1 and Scope 2 emissions (M t CO_2e)



Total Scope 1 emissions (M t CO_2e)

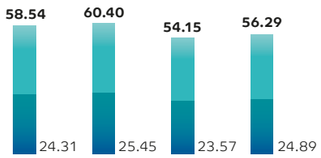


Total Scope 2 emissions (M t CO_2e)

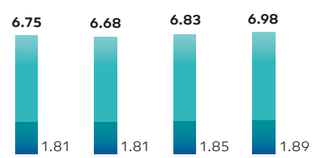


CO_2e Emissions – Scope 1

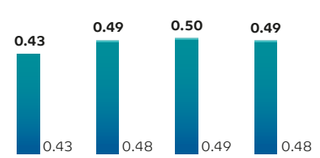
Scope 1 emissions for electricity production (M t CO_2e)



Scope 1 emissions for water desalination (thermal desalination) (M t CO_2e)

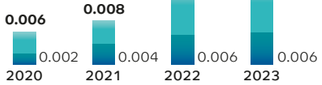


Scope 1 emissions for steam production (M t CO_2e)

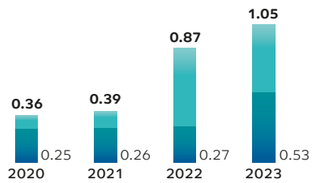


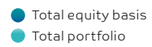
CO_2e Emissions – Scope 2

Scope 2 emissions for electricity production (M t CO_2e)



Scope 2 emissions for water desalination (RO) (M t CO_2e)





CO_2e emission intensity – Total portfolio

CO_2e intensity of gross electricity generation (t CO_2e/MWh)

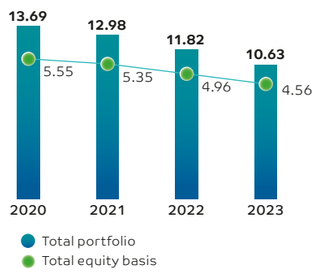


CO_2e emission intensity – Total equity basis

CO_2e intensity of gross electricity generation (t CO_2e/MWh)



Emission Scope 1 and Scope 2/ revenue (kg CO_2e/SAR)



Scope 1 and Scope 2 Emissions (M t CO_2e) by country

	2020	2021	2022	2023
KSA	56.65	55.79	49.72	50.38
Bahrain	–	0.76	1.28	2.83
Jordan	1.59	1.66	1.66	1.34
Oman	6.31	5.66	6.30	6.70
UAE	0.01	2.50	2.12	2.29
Morocco	0.00	0.00	0.00	0.00
Egypt	0.00	0.00	0.00	0.00
Vietnam	0.00	0.00	0.00	0.00
Turkey	1.54	1.59	1.28	1.27
South Africa	–	–	–	–
Uzbekistan	–	–	–	–
Total	**66.10**	**67.97**	**62.36**	**64.82**

Scope 1 Emissions (M t CO_2e) by fuel type

	2020	2021	2022	2023
Natural gas	36.79	36.20	35.37	39.63
Fuel oil	28.93	28.96	26.11	24.13
Coal	0.01	2.42	0.00	–
Total	**65.73**	**67.58**	**61.48**	**63.75**

Scope 1 Emissions (M t CO_2e) by country

	2020	2021	2022	2023
KSA	56.32	55.46	49.10	49.78
Bahrain	–	0.76	1.28	2.83
Jordan	1.59	1.66	1.65	1.34
Oman	6.27	5.60	6.22	6.60
UAE	0.01	2.50	1.94	1.93
Morocco	–	–	–	–
Egypt	–	–	–	–
Vietnam	–	–	–	–
Turkey	1.54	1.59	1.28	1.27
South Africa	–	–	–	–
Uzbekistan	–	–	–	–
Total	**65.73**	**67.58**	**61.48**	**63.75**

Scope 2 Emissions (M t CO_2e) by country

	2020	2021	2022	2023
KSA	0.33	0.33	0.62	0.60
Bahrain	–	–	–	–
Jordan	0.00	0.00	0.00	0.00
Oman	0.03	0.06	0.08	0.10
UAE	0.00	0.00	0.18	0.36
Morocco	0.00	0.00	0.00	0.00
Egypt	0.00	0.00	0.00	0.00
Vietnam	0.00	0.00	0.00	0.00
Turkey	–	–	–	–
South Africa	–	–	–	–
Uzbekistan	–	–	–	–
Total	**0.37**	**0.39**	**0.88**	**1.06**

Breakdown of CO_2e

Year	2020	2021	2022	2023
M t CO_2	65.60	67.43	61.36	63.63
t CH_4	1,772.85	1,788.88	1,638.49	1,637.74
t N_2O	289.24	326.38	264.73	256.98

Emissions by activities (M t CO_2e)

	2020	2021	2022	2023
Scope 1 emissions for electricity production	58.54	60.40	54.15	56.29
Scope 1 emissions for water desalination (thermal desalination)	6.75	6.68	6.83	6.98
Scope 1 emissions for steam production	0.43	0.49	0.50	0.49
Scope 2 emissions for electricity production	0.01	0.01	0.01	0.01
Scope 2 emissions for water desalination (RO)	0.36	0.39	0.87	1.05

Breakdown by technology

	2020	2021	2022	2023
Electricity Gross Generation (MWh)	**125,516,154.94**	**129,541,357.45**	**121,069,595.90**	**129,165,806.79**
Natural Gas	89,951,468.02	90,299,770.58	83,583,684.69	96,990,024.20
Fuel Oil	30,483,119.30	29,678,838.15	25,009,567.15	22,118,041.40
Coal	12,990.00	3,147,426.06	3,898,182.97	–
SWRO	735,122.57	930,213.82	666,410.89	773,645.70
PV	2,500,898.67	3,465,849.16	6,401,569.24	6,140,693.79
CSP	1,437,087.28	1,601,983.52	1,119,753.86	2,817,763.60
Wind	395,469.10	417,276.16	390,427.11	325,638.10
Total Emissions (M t CO_2e)	**66.10**	**67.97**	**62.36**	**64.82**
Natural Gas	36.79	36.20	35.37	39.63
Fuel Oil	28.93	28.96	26.11	24.13
Coal	0.01	2.42	0.00	0.00
SWRO	0.36	0.39	0.87	1.05
PV	0.01	0.01	0.01	0.01
CSP	0.00	0.00	0.00	0.00
Wind	0.00	0.00	0.00	0.00
Scope 1 Emissions (M t CO_2e)	**65.73**	**67.58**	**61.48**	**63.75**
Natural Gas	36.79	36.20	35.37	39.63
Fuel Oil	28.93	28.96	26.11	24.13
Coal	0.01	2.42	0.00	0.00
SWRO	0.00	0.00	0.00	0.00
PV	0.00	0.00	0.00	0.00
CSP	0.00	0.00	0.00	0.00
Wind	0.00	0.00	0.00	0.00
Scope 2 Emissions (M t CO_2e)	**0.37**	**0.39**	**0.88**	**1.06**
Natural Gas	0.00	0.00	0.00	0.00
Fuel Oil	0.00	0.00	0.00	0.00
Coal	0.00	0.00	0.00	0.00
SWRO	0.36	0.39	0.87	1.05
PV	0.01	0.01	0.01	0.01
CSP	0.00	0.00	0.00	0.00
Wind	0.00	0.00	0.00	0.00

Total equity basis

Key indicators

Indicator[1]	2020	2021	2022	2023
Scope 1 and Scope 2 Emissions (M t CO_2e)	26.80	28.00	26.19	27.79
CO_2e intensity of gross electricity generation (t CO_2e/MWh)	0.53	0.53	0.52	0.50
CO_2e intensity of RO water desalination (kg CO_2e/m^3)	1.45	1.26	1.48	1.53
CO_2e intensity of thermal water desalination (kg CO_2e/m^3)	13.05	12.84	13.04	9.24
CO_2e intensity of revenue[2] (kg CO_2e/SAR)	5.55	5.35	4.96	4.56

Scope 1 and Scope 2 Emissions (M t CO_2e) by country

	2020	2021	2022	2023
KSA	22.02	22.48	20.45	20.94
Bahrain	–	0.46	0.77	1.70
Jordan	0.88	0.89	0.91	0.80
Oman	2.83	2.39	2.65	2.79
UAE	0.00	0.67	0.53	0.66
Morocco	0.00	0.00	0.00	0.00
Egypt	–	0.00	0.00	0.00
Vietnam	0.00	0.00	0.00	–
Turkey	1.07	1.11	0.89	0.89
South Africa	–	–	–	–
Uzbekistan	–	–	–	–
Total	**26.80**	**28.00**	**26.19**	**27.79**

Scope 1 Emissions (M t CO_2e) by fuel type

	2020	2021	2022	2023
Natural gas	12.06	12.12	11.68	13.81
Fuel oil	14.48	14.97	14.24	13.45
Coal	0.00	0.65	0.00	–
Total	**26.55**	**27.73**	**25.91**	**27.26**

Scope 1 Emissions (M t CO_2e) by country

	2020	2021	2022	2023
KSA	21.78	22.24	20.21	20.60
Bahrain	–	0.46	0.77	1.70
Jordan	0.87	0.89	0.91	0.80
Oman	2.82	2.36	2.62	2.75
UAE	0.00	0.67	0.52	0.52
Morocco	–	–	–	–
Egypt	–	–	–	–
Vietnam	–	–	–	–
Turkey	1.07	1.11	0.89	0.89
South Africa	–	–	–	–
Uzbekistan	–	–	–	–
Total	**26.55**	**27.73**	**25.91**	**27.26**

[1] Values are independently verified by an external party. Refer to the assurance report on page 244.
[2] The intensity metric accounts for Scope 1 and Scope 2 emissions based on equity basis.

Scope 2 Emissions (M t CO_2e) by country

	2020	2021	2022	2023
KSA	0.23	0.23	0.24	0.34
Bahrain	–	–	–	–
Jordan	0.00	0.00	0.00	0.00
Oman	0.01	0.03	0.04	0.04
UAE	0.00	0.00	0.00	0.14
Morocco	0.00	0.00	0.00	0.00
Egypt	–	0.00	0.00	0.00
Vietnam	0.00	0.00	0.00	–
Turkey	–	–	–	–
South Africa	–	–	–	–
Uzbekistan	–	–	–	–
Total	**0.25**	**0.26**	**0.28**	**0.53**

Breakdown of CO_2e

	2020	2021	2022	2023
M t CO_2	26.49	27.67	25.86	27.20
t CH_4	774.32	800.82	757.96	765.54
t N_2O	133.43	147.50	130.80	128.51

Emissions by activities (M t CO_2e)

	2020	2021	2022	2023
Scope 1 emissions for electricity production	24.31	25.45	23.57	24.89
Scope 1 emissions for water desalination (thermal desalination)	1.81	1.81	1.85	1.89
Scope 1 emissions for steam production	0.43	0.48	0.49	0.48
Scope 2 emissions for electricity production	0.00	0.00	0.01	0.01
Scope 2 emissions for water desalination (RO)	0.25	0.26	0.27	0.52

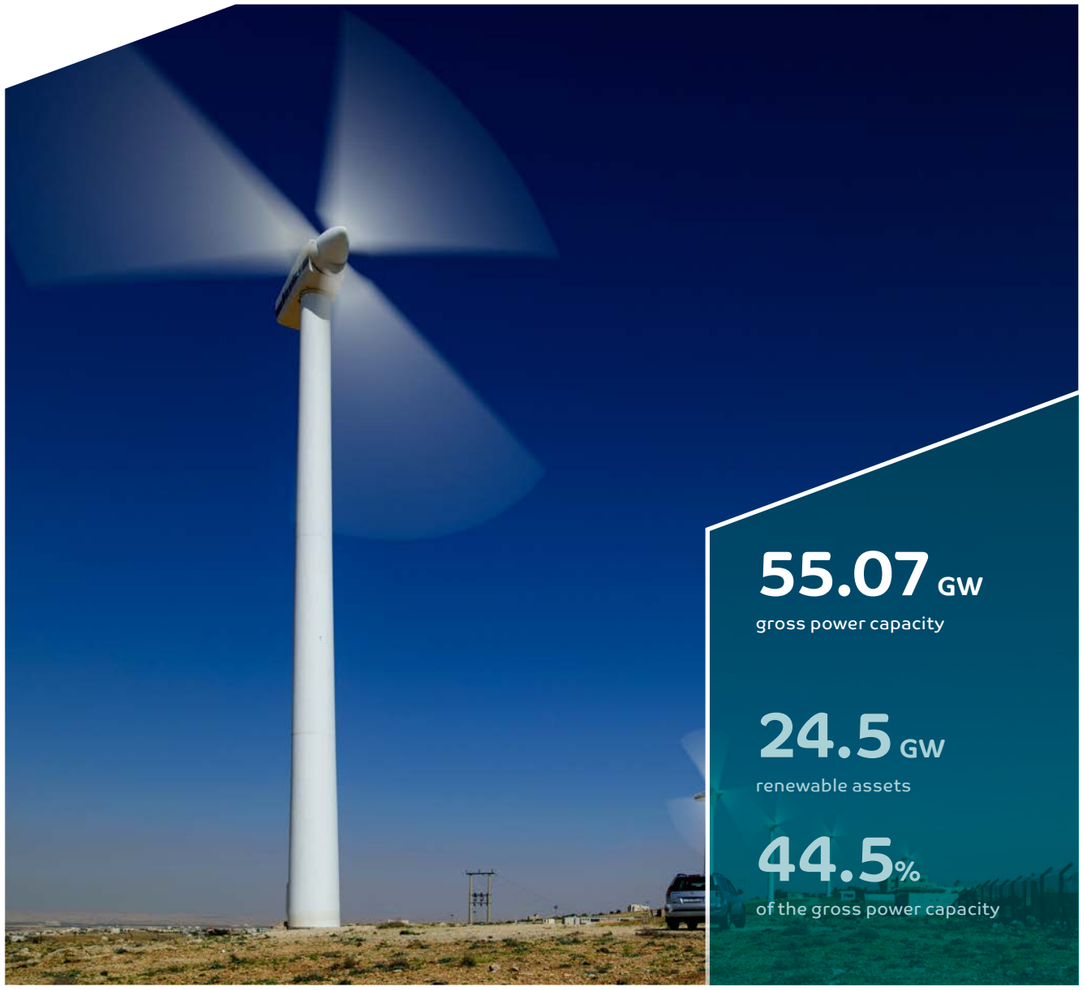
Breakdown by technology

	2020	2021	2022	2023
Electricity Gross Generation (MWh)	**45,533,546**	**48,396,890**	**45,248,063**	**49,751,279**
Natural Gas	29,936,891	30,826,077	28,380,756	34,823,108
Fuel Oil	13,190,268	13,237,590	11,801,156	10,415,810
Coal	3,501	848,231	1,050,560	–
SWRO	413,225	564,405	501,444	318,901
PV	941,344	1,735,621	2,688,639	2,594,921
CSP	945,495	1,076,474	723,958	1,513,873
Wind	102,822	108,492	101,550	84,666
Total Emissions (M t CO_2e)	**26.80**	**28.00**	**26.19**	**27.79**
Natural Gas	12.06	12.12	11.68	13.81
Fuel Oil	14.48	14.97	14.24	13.45
Coal	0.00	0.70	0.00	0.00
SWRO	0.25	0.26	0.27	0.52
PV	0.00	0.00	0.01	0.01
CSP	0.00	0.00	0.00	0.00
Wind	0.00	0.00	0.00	0.00
Scope 1 Emissions (M t CO_2e)	**26.55**	**27.73**	**25.91**	**27.26**
Natural Gas	12.06	12.12	11.68	13.81
Fuel Oil	14.48	14.97	14.24	13.45
Coal	0.00	0.65	0.00	0.00
SWRO	0.00	0.00	0.00	0.00
PV	0.00	0.00	0.00	0.00
CSP	0.00	0.00	0.00	0.00
Wind	0.00	0.00	0.00	0.00
Scope 2 Emissions (M t CO_2e)	**0.25**	**0.26**	**0.28**	**0.53**
Natural Gas	0.00	0.00	0.00	0.00
Fuel Oil	0.00	0.00	0.00	0.00
Coal	0.00	0.00	0.00	0.00
SWRO	0.25	0.26	0.27	0.52
PV	0.00	0.00	0.01	0.01
CSP	0.00	0.00	0.00	0.00
Wind	0.00	0.00	0.00	0.00

RENEWABLE ENERGY

Renewable capacity (GW)

	2020	2021	2022	2023
In operation	1.6	1.6	2.0	2.0
Under construction	2.3	4.5	5.0	17.2
Advanced development phase	7.6	8.7	10.4	5.3
Total portfolio gross renewable capacity	**11.5**	**14.8**	**17.4**	**24.5**
ACWA Power's net share renewable capacity				
In operation	0.9	0.9	1.1	1.1
Under construction	0.7	1.5	2.4	7.5
Advanced development phase	4.0	5.7	5.7	5.2
Total portfolio net share renewable capacity	**5.6**	**8.1**	**9.2**	**13.8**



55.07 GW
gross power capacity

24.5 GW
renewable assets

44.5%
of the gross power capacity

RELIABILITY OF SUPPLY (ROS)

RoS refers to our ability to consistently supply the community with needed water and electricity without full stop of our fundamental business priorities.

ACWA Power has implemented a comprehensive RoS enhancement programme in 2023 to mitigate fleet chronic issues caused by design weaknesses, manufacturing flaws, installation QC defects and commissioning issues. The programme aims to enhance the asset lifecycle management process, increase asset availability and improve operational reliability. The implementation scope has covered different technologies, including PV, CSP, RO, thermal, and CCGT plants, with over 300 mitigation actions that have been discussed, validated, agreed, planned and executed in proper alignment with all stakeholders, within more than 40 different plants.

Implementing the RoS enhancement programme has led to the elimination of all targeted chronic issues, which resulted in a significant reduction in the percentage of Forced Outages (FO), compared to the same period last year, and consequently enhanced our asset's availability and reliability.

Also, during 2023 and in line with the twelve fundamental pillars of the ACWA Power framework that promotes proactive asset management, we launched an O&M critical systems mitigation plan that mitigates the critical failure modes that may lead to significant loss of major equipment. The plan covers 45 different systems with mitigation actions designed to, and based on, international standards, best practice and Enhancing Energy System Reliability (EPRI) technical procedures. Implementing this plan has enabled the O&M team to address the reliability risks in a structured approach and allocate the mitigation resources more effectively, reducing operational events within the O&M systems considered in the plan.

The 12 fundamental pillars of the ACWA Power RoS framework

- Leadership commitment
- Training, competence and readiness
- Reliability in design and execution
- O&M reliability and maintenance programme
- Information management
- Quality assurance and control
- Material management
- Root cause analysis and lessons learned
- Monitor and maintain equipment condition
- Asset life optimisation/ and management
- Management of change
- Reliability risk management

ACWA Power has four priorities

1. Engaging staff and transforming culture
2. Reliability in design
3. Identifying and managing reliability challenges and areas for improvement
4. Using Monitoring and Prediction Centres (MPCs), using machine learning and AI

Data

Our consolidated power availability increased from **87.2%** in 2022 to **91.9%** in 2023

while our desalination plants maintained an historical consolidated availability level of **96.4%**

ENVIRONMENT

Environmental management

ACWA Power has developed an Environment and Social (E&S) Implementation Manual that sets out the minimum requirements for Environmental and Social Management Systems (ESMS) at all of its projects. The E&S Manual is aligned with the ISO 14001 standard, and it is designed to help each ACWA Power project company to develop and implement an ESMS that is appropriate to its specific project and context.

Every project at ACWA Power is a separate company, in which ACWA Power has a direct or indirect interest, typically 100%.

NOMAC, ACWA Power's wholly-owned subsidiary, is responsible for the operations and maintenance of the majority of ACWA Power's projects. NOMAC, with 2,163 employees, has developed plant-specific procedures to maximise safe, secure and efficient operations and maintenance. NOMAC has five globally respected ISO standards:

1. ISO 9001:2015 – Quality Management System
2. ISO 14001:2015 – Environmental Management System
3. ISO 27001:2013 – Information Security Management System
4. ISO 45001:2018 – Occupational Health and Safety Management System
5. ISO 22301:2019 – Business Continuity Management System

All our project companies are required to develop their own Environmental and Social Management System (ESMS) in accordance with the requirements of the E&S Manual, that aligns with international best practice and conforms with the International Finance Corporation's standards as a minimum.

In collaboration with other stakeholders in our projects, we set indicators and KPIs to promote and assure high environmental performance. We also implement feedback systems to monitor, audit and report such performance.

All our operations currently have ISO 14001 certification, to ensure the highest standards across energy usage, waste management and minimise environmental impact.

Our operations are being audited annually by independent third parties, to ensure compliance with the ISO standards.

Internally, we conduct HSSE audits on all our operations on an annual basis, where environmental aspects are audited.

The ESMS includes a number of key elements, including:

- A policy statement that commits the project company to managing its environmental and social impacts in a responsible manner.
- A risk assessment process to identify and assess potential environmental and social impacts.
- Mitigation measures to reduce or eliminate potential environmental and social impacts.
- Monitoring and reporting procedures to track the performance of the ESMS.
- Commitment to implementing measures to reduce the consumption of natural resources, while implementing measures to prevent pollution.

ACWA Power provides support to project companies in developing and implementing their ESMSs. This support includes training on the E&S Manual, as well as technical assistance on specific topics such as biodiversity management and community engagement.

By requiring all project companies to develop and implement ESMSs, ACWA Power ensures that our projects are managed in a sustainable and responsible manner. This is important for both the environment and the communities where we operate.

Waste management and circular economy

ACWA Power has targets for responsible resource use and waste reduction. Each project site is required to have waste reduction objectives as part of its Environmental and Social Management System (ESMS). These objectives are set in accordance with each project's environmental targets.

ACWA Power has an integrated waste management procedure to manage hazardous and non-hazardous waste. This ensures minimal impact on the environment and that local and international regulatory requirements are satisfied. The ideal way to reduce the stress on disposal systems is to reduce the amount of waste that is produced, so our emphasis is on reduction, re-use and recovery before disposal.

The circular economy is an innovative method aimed at minimising waste and maximising resource efficiency throughout the entire product lifecycle. Instead of the traditional linear model of 'take-make-dispose', the circular economy promotes a closed-loop system whereby materials are continuously reduced, re-used and recycled. In developing our integrated waste management system, we have pinpointed the optimal levels for recovering individual and collective materials, aiming to maximise material production savings, reduce resource costs and conserve energy.

ACWA Power's waste management involves identifying, segregating, packing, labelling, storage, transporting, treating and disposing of waste. It focuses on the reduction of waste generation at the source itself. Colour-coded waste skips and containers are clearly marked and placed at the point of source of the waste generation. Any hazardous waste generated by the industrial process is collected and segregated based on its nature, and a full set of safety procedures is applied to handling and disposal of such waste.

ACWA Power uses various means of waste disposal including incineration, landfill, decomposition and treatment based on the local availability of recycling and composting facilities, the cost of different disposal methods, and environmental regulations.

The specific methodology of re-use and recycling varies according to the type of waste (e.g., wood waste, used oil waste, cardboard, used paper, construction and demolition, and organic waste). Usually, used oil is sent to a third-party for recycling. Similarly, organic waste is sent to a composting facility.

ACWA Power is committed to the prevention of water loss and spillages at all of its operations. In addition to the commitments defined in our Corporate HSSE Policy, we have developed a spill contingency procedure that outlines the steps to be taken in the event of a water spill. This procedure includes measures to contain the spill, clean it up, and minimise the environmental impact.

	2021	2022	2023
Waste generated (tonnes)	23,483	25,959	32,632
Hazardous waste recycled and re-used (tonnes)	246	28	22.2
Non-hazardous waste recycled and re-used (tonnes)	110	101	64
Fly ash recycled and re-used (tonnes)	5,529	10,738	9,405
Hazardous waste disposed (tonnes)	2,435	3,836	2,793
Non-hazardous waste disposed (tonnes)	6,133	5,250	11,267
Fly ash disposed (tonnes)	9,030	6,006	9,081
Share of waste recycled and re-used of total waste generated	22%	40%	29%
Number of spills	9	8	22
Total volume of spillage (m^3)	**6**	**481**	**12**

Hazardous waste

Hazardous waste disposal decreased 27.2% compared to 2022. In 2022, due to major spills and maintenance activities, hazardous waste generation had increased.

Fly ash

There was a slight increase at R1IPP, SQIWPP and SIWPP, compared to last year. This was due to increased power generation capacity and the disposal of collected quantities due to maintenance activities.

Spills

There have been more spills in 2023 than the previous year but the total volume of spillage reduced from 481m³ to 12m³. In 2022, we had two notable spillages. Shuqaiq IWPP (not an ACWA Power project, but managed by NOMAC) had a spill of 330 m³ due to an accident of external origin. ACWA Power's CEGCO decommissioning project in Jordan had a 145 m³ of spill. Shuqaiq has now been fully divested and the CEGCO asset has been fully decommissioned.

Recycled waste

While ACWA Power kept recycling levels stable, with no significant change in quantity, there was a notable increase in non-hazardous material compared to last year that led to lowering the overall recycle percentage, attributed to new plants entering operation.

Air quality

In our ongoing commitment to sustainability, we recognise the critical importance of reducing NO_x, SO_x and non-methane volatile organic compounds (VOCs) emissions in our operations. We understand our responsibility to minimise our environmental footprint, while providing reliable energy solutions.

All our project companies have ESMS in place. This includes management and mitigation measures for NO_x, SO_x and VOCs. At ACWA Power, we provide our project companies with tangible objectives, according to the nature of each project and its environmental target.

During our Environmental Impact Assessment studies for each of our projects, we conducted a Potential Impact, Mitigations, Management and Residual Impact study. This includes identifying all potential sources of air emissions, with detailed emissions modelling, to ensure compliance with national regulations and IFC standards. Each potential impact is assessed in terms of its likelihood and severity, with mitigation measures put in place to minimise the risk.

In our operations, Continuous Emissions Monitoring Systems (CEMS) are in place to ensure compliance is maintained throughout our asset's lifetime. As part of mitigation measures, our plants are equipped with modern low NO_x burners to minimise the impact of such emissions.

In 2023, our air pollutant emissions intensity on an equity basis for NO_x, SO_x and VOC were 1.09 kg/MWh, 4.86 kg/MWh and 0.042 kg/MWh, respectively. This measurement of the intensity is based on the air pollution produced per gross electricity generation. All intensity figures have shown a continuous downtrend over the past few years. Compared to the baseline year of 2020, we have achieved reductions of 6% in NO_x, 15% in SO_x and 4% in VOC emissions intensity. We will continue to engage with the offtakers of our oil-fired assets to look for potential conversion solutions, in our continuous efforts to reduce our air emissions.

Total portfolio basis

Year	2020	2021	2022	2023
t NO_x	130,227.5	138,165.0	121,741.3	126,089.6
t SO_x	520,598.0	570,001.2	469,641.2	434,132.2
t VOCs	5,139.0	5,214.9	4,830.6	5,081.7
Intensity of NO_x emissions (kg/MWh)	1.04	1.07	1.01	0.98
Intensity of SO_x emissions (kg/MWh)	4.15	4.40	3.88	3.36
Intensity of VOC emissions (kg/MWh)	0.041	0.040	0.040	0.039

Total equity basis

Year	2020	2021	2022	2023
t NO_x	52,732.2	56,246.7	51,476.1	54,075.3
t SO_x	260,459.9	282,316.6	255,974.1	241,842.0
t VOCs	2,006.5	2,076.7	1,956.4	2,095.8
Intensity of NO_x emissions (kg/MWh)	1.16	1.16	1.14	1.09
Intensity of SO_x emissions (kg/MWh)	5.72	5.83	5.66	4.86
Intensity of VOC emissions (kg/MWh)	0.044	0.043	0.043	0.042

Biodiversity

All our projects are subject to an environmental and social impact assessment (ESIA) to identify and mitigate any potential negative impacts to biodiversity and adhere to international good practice standards, such as those set by the International Finance Corporation (IFC), World Bank Group (WBG) and European Bank for Reconstruction and Development (EBRD).

We establish specific methodologies and metrics within an ESIA study report for biodiversity-applicable projects. This involves identifying indicators within each project's ESIA report and integrating biodiversity studies as necessary.

In accordance with our corporate responsibility principles and relevant regulations, ACWA Power is committed to protecting terrestrial and marine biodiversity. We achieve this through a combination of project-specific mitigation measures and broader initiatives, such as the relocation of coral reefs in the Red Sea region and the development of a nursery for endangered species in the MEA region, and restoration of land in the Africa region.

ACWA Power:

- does not currently have a standalone forest plantation project, but we do support forestation initiatives through our corporate responsibility programmes. For example, we have planted Ziziphus Spina, mangroves, and Tamarix Aphylla trees in various locations. We are always exploring new opportunities to support forestation, and we are open to considering new forest plantation projects if they align with our strategic goals and values.
- has some projects located in areas designated as protected by the governments of host countries, such as the Red Sea and Hassyan projects. We are exploring ways to incorporate habitat restoration into our existing projects and to develop new habitat restoration projects in the future.
- engages with governments, regulators, NGOs, and local or international organisations to prevent biodiversity loss at the places of operation in a number of ways, including:
  - complies with all applicable environmental regulations in the countries where we operate. This includes obtaining the necessary permits and approvals for our projects and implementing mitigation measures to minimise our impact on biodiversity.
  - consults with governments, regulators, NGOs, and local or international organisations throughout the project development process. This helps us to identify and address potential biodiversity impacts, and to develop a Biodiversity Action Plan (BAP) and implement effective mitigation measures.
  - supports research on biodiversity and conservation in the areas where we operate. We also work with local and international organisations to build capacity for biodiversity management and conservation.

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.





Once treated and in compliance with the national regulation for water quality, the Treated Sewage Effluent (TSE) is transferred to RSG's Landscape Nursery, which, with an area of more than 100 ha, is the largest in the Middle East, to irrigate the trees and shrubs. To date, more than five million plants have been grown to landscape RSG's destinations, and 30 million will be grown by 2030.

When the phragmites reeds grow too long or stop effective water treatment, they are pruned, and the ends are recycled and with other waste materials are made into bricks for the project construction.

By mid-2024, the sewage treatment facility will reach its design capacity of treating 16,000m³/day of wastewater and result in 17 hectares of new nature-based carbon solutions being constructed.



Water management

Sustainable and technologically advanced

We operate in water-scarce regions, such as the Gulf, where global issues such as climate change, population growth, industrialisation and water waste are likely to increase water stress in the future. These regions' heavy dependence on desalination poses sustainability risks itself, with cost and environmental impacts remaining key concerns. It is therefore imperative for ACWA Power to consider water management a key part of our ESG and corporate strategy. Oversight of water management policies lies with our Board of Directors, with strategy monitoring conducted at the Executive Management level.

As part of our ESMS, we aim to minimise the impact of our operations on water resources. In our operations we encourage the use of non-freshwater resources such as desalinated and recycled water.

For example, our Zarqa power plant uses dry-cooling techniques that significantly reduce the amount of water required for power generation operations.

Another example where we have optimised our water consumption is at our Sirdarya plant in Uzbekistan. The project has been designed to maximise the re-use of water where possible. The plant has cooling tower blowdown, boiler blowdown and condenser blowdown flow streams via a demineralisation system to achieve zero liquid discharge at the site.

Water-related risks are identified during our Environmental Impact Assessment studies which we conduct for all our projects, with mitigation measures in place to minimise any potential impact. To address these challenges, we rigorously monitor and manage key water quality metrics related to discharge, such as Temperature and Total Dissolved Solids (TDS) within the designated mixing zone, to ensure compliance with local regulations. In addition, continuous monitoring of biodiversity and aquatic life is conducted to identify and avoid any potential negative impacts.

More than two-thirds of our desalination plants use world-class energy-efficient technology, namely seawater reverse osmosis (SWRO). As we grow our capacity, SWRO will become the sole technology used in our desalination plants. This will play a critical part in reducing water production costs and energy consumption significantly and contributing to our sustainability and ESG goals.

Water is a critical resource for our operations in both power generation and sea water desalination. Water used in our power plants is primarily for cooling and condensing, and 99.99% of the desalinated water discharge is returned to the sea.

Our overall water withdrawal for 2023 was 99.94% from seawater, with 0.06% coming from freshwater. Based on the Aqueduct Water Risk Atlas, water withdrawal from the sea is considered to not affect water stress. ACWA Power is committed to using desalinated water for our activities and minimise the withdrawal of freshwater where possible.

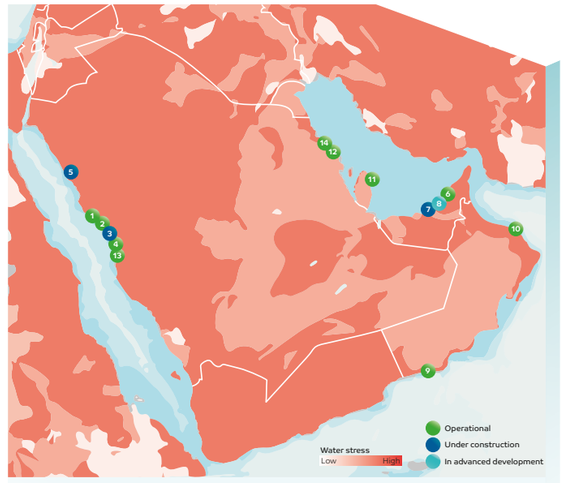
We continue to improve the measurement and reporting of our water performance by integrating internal reporting systems for water metrics.



Jazlah IWP, the first large-scale, operating, integrated desalination/ solar PV project in the Kingdom.

ACWA POWER'S DESALINATION ASSETS

		m³/day	COD
1	Rabigh 3 IWP	600,000	Q1 2022
2	Petro-Rabigh IWSPP	133,920	Q2 2008
	Petro-Rabigh (Phase 2) IWSPP	54,480	Q1 2018
3	Rabigh 4 IWP	600,000	Q1 2026
4	Shuaibah IWPP	880,000	Q1 2010
	Shuaibah Expansion IWP	150,000	Q4 2009
	Shuaibah 2 IWP	250,000	Q2 2019
5	The Red Sea Project	33,000	Q3 2024
6	UAQ IWP	682,000	2022
7	Taweelah IWP	909,000	Q1 2024
8	Hassyan IWP	818,000	PPA signed
9	Salalah IWP	114,000	Q1 2020
10	Barka 1 IWPP	91,000	Q3 2023
	Barka 1 Expansion IWP	45,460	Q2 2014
	Barka 1 Phase II Expansion IWP	56,826	Q1 2016
11	Al Dur Phase II IWPP	227,000	Q2 2022
12	Jazlah IWP	600,000	Q1 2023
13	Shuaibah 3 IWP	600,000	Q2 2025
14	Marafiq IWPP	800,000	Q4 2010



Water desalination plants are located in the extremely high water risk region, where we are 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.

Boundary definition

The boundary is the operational assets in which ACWA Power has equity shares and which have reached full plant Commercial Operation Date (COD).

m³	Water withdrawal[1]	Water discharge[1]	Water consumption[1, 2]	Internal water consumption	Water export
IWPP	6,479,397,765	5,740,627,867	738,769,898	33,132,869	705,637,029
Power	6,247,847,658	6,235,658,958	12,188,701	12,188,701	–
Water	1,987,035,775	1,231,245,680	755,790,095	13,149,846	742,640,250
Total	**14,714,281,199**	**13,207,532,505**	**1,506,748,694**	**58,471,415**	**1,448,277,279**

m³	Seawater	Surface water	Third-party water	Ground water
Source of water withdrawal	14,705,516,563	7,474,270	1,104,548	185,818
Source of water discharge	13,205,559,814	1,972,691	–	–

%	sea	Others (Surface water, third-party water and Ground water)
Source of water withdrawal	99.94%	0.06%
Destination of water discharge	99.99%	0.01%

Categorisation

Seawater	Surface Water	Third-part Water	Ground Water
Sea	River	Government	Water well
	Dam	DEWA	
	Evaporation pound	Tanker	
		Supplier	

[1] Values are independently verified by an external party. Refer to the assurance report on page 244.
[2] Water consumption = Internal water consumption + water export.

ACWA Power's Seawater Reverse Osmosis (SWRO) energy and GHG efficiency

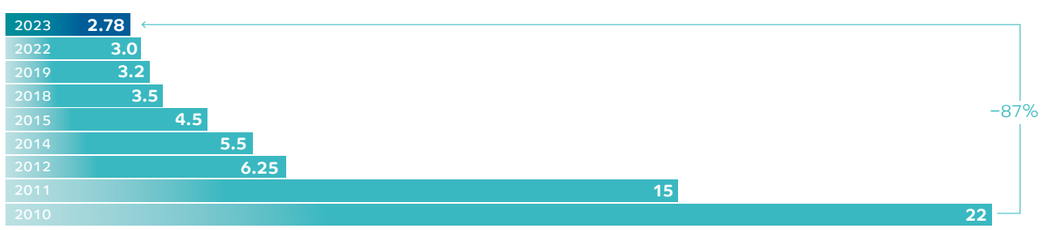
ACWA Power's technical advancements in SWRO plants underscore significant improvements in both efficiency and sustainability. By implementing a pressure centre design, fewer high-pressure pumps are needed, improving both operational efficiency and flexibility in managing RO trains. The N-1 redundancy configuration keeps all trains operational, lowering energy consumption and improving water quality through enhanced permeate splits.

Additionally, the integration of solar PV plants within SWRO facilities helps reduce carbon emissions and lowers electricity costs by minimising grid dependence. This initiative has been successfully implemented across several projects, including Jubail 3A, Taweelah, Shuaiba 3 Conversion, and Rabigh 4 SWRO. Innovations such as high efficiency pumps, pressure exchangers, and membranes have further optimised energy use and salt rejection rates, while energy recovery devices have significantly cut pump costs and energy consumption without compromising water quality. Online analysers are also used to consistently monitor and maintain the high quality of potable water.

We are developing a range of SWRO plants, from as small as the 1,000 m^3/day Red Sea Project to the world's largest SWRO plant at Taweelah IWP, producing 909,000 m^3/day. We optimise the specific power consumption and availability to deliver the lowest water tariffs, for human consumption and agricultural use.

For instance, at Hassyan IWP (SWRO capacity of 818,000 m^3/day), we have achieved the lowest water tariff in the history of desalination, $0.365/$m^3$ (which is almost 10% lower than the previous record), by optimising the Specific Power Consumption (SPC) and using efficient process design.

Specific Power Consumption of our desalination plants, kWh/m^3



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

We have also implemented artificial intelligence within plant operation and control which has improved power consumption and further availability and reliability. There was no increase in the redundancy level of the plant. In 2024, we are expecting further improvement via AI implementation within plant operation to reduce power consumption and chemical use, predict failures and enhance preventive maintenance.

ACWA Power 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, we are 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.

The thermal water desalination processes

- **Multi-stage flash distillation (MSF)**
  From the 1970s to 1990s, the most common desalination method involved heated seawater flashing into steam as it passed through vacuum-induced chambers. This process typically involving 20 to 30 stages, continuously lowers pressure without additional heat, condensing steam into fresh water using cool incoming seawater.
- **Multi-effect distillation (MED)**
  Like MSF, MED uses evaporation and condensation across multiple stages at progressively lower pressures without extra heat. The key difference lies in the evaporation method; MED operates at lower temperatures (~70°C) and involves seawater film contacting heating tubes. Despite their 50-year history, reverse osmosis (RO) now leads due to higher efficiency.

The difference in energy intensity between types of desalination plants

- Multi-stage flash Distillation (MSF): 16–22 kWh/m^3
- Multi-effect Distillation: (MED) 12–18 kWh/m^3
- Reverse Osmosis (RO): 2.7–3.5 kWh/m^3

The amounts above are equivalent electrical energy across all assets. The intensity depends on a specific plant's configuration and the local seawater conditions.

Seawater desalination – environmental concerns and mitigation

ACWA Power identifies and manages the environmental impacts at its desalination plants, as indicated in the table below.

Concern	Mitigation
Concentrate discharge	Disperse concentrate through multiport diffuser
Marine pollution	Treatment of all backwashing and cleaning wastes
Seawater intakes	Use subsurface or submerged intakes with low intake velocities
Chemical use	Implement low or no chemical use technologies
Material use	Improve recyclability and reuse of materials
Land use	Minimise land use and landscape impacts through site selection
Energy use and GHGs	Use renewable power sources and digital technologies

Our desalination projects adhere to the rigorous environmental protection regulation mandated by the Equator Principles of Finance institutions (IFC) and the World Bank, ensuring minimal ecological impact. An independent audit conducted for ACWA Power's Rabigh 3 IWP, has confirmed no significant ecological impact in the aquatic ecosystem, reinforcing our commitment to sustainable operations.

Brine management

Minimising the environmental impact of brine discharges (defined in multiple engineering references, e.g., American Water Works Association – AWWA) requires an integrated project development approach.

- Early site selection to avoid sensitive habitats.
- High-efficiency multiport diffusers to ensure optimal initial dilution of brine.
- Advanced hydrodynamic modelling to maximise brine dilution and minimise environmental impact.
- Real-time monitoring and extensive marine surveys during both construction and operation phases.

We have made significant strides in increasing the efficiency of the reverse osmosis (RO) process, enhancing water recovery rates from 37% to 45%, moving closer to the thermodynamic limit of 60% at 70 bar. This high recovery rate reduces the volume of brine discharge and minimises the intake of juvenile fish and larvae. Our plants also optimise chemical usage, further reducing environmental impacts.

A key achievement in our operational strategy is the transition from thermal desalination to more sustainable SWRO technologies. For instance, the Taweelah IWP in UAE, the world's largest SWRO plant, derives a third of its energy from on-site PV, while our Red Sea Global RO units are powered entirely by renewable energy. This shift significantly reduces both the thermal impact on marine environment and our carbon footprint.

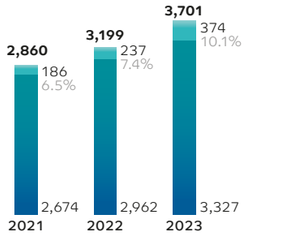
Looking forward, we are exploring innovative solutions such as brine mining and the potential for Zero Liquid Discharge systems to further reduce environmental impacts. Our long-term collaboration with renowned marine consultants ensures continuous improvement in our operational processes and environmental strategies.

SOCIETY

Employees

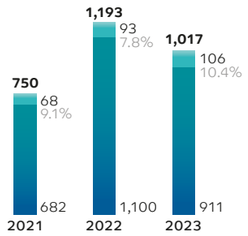
Human capital

Full-time employees



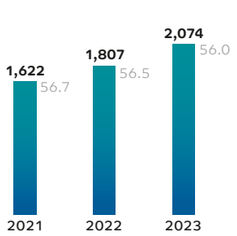
Men
Women (% of women in total workforce)

Managers and directors



Men
Women (% of managerial or director-level positions filled by women)

Local nationals



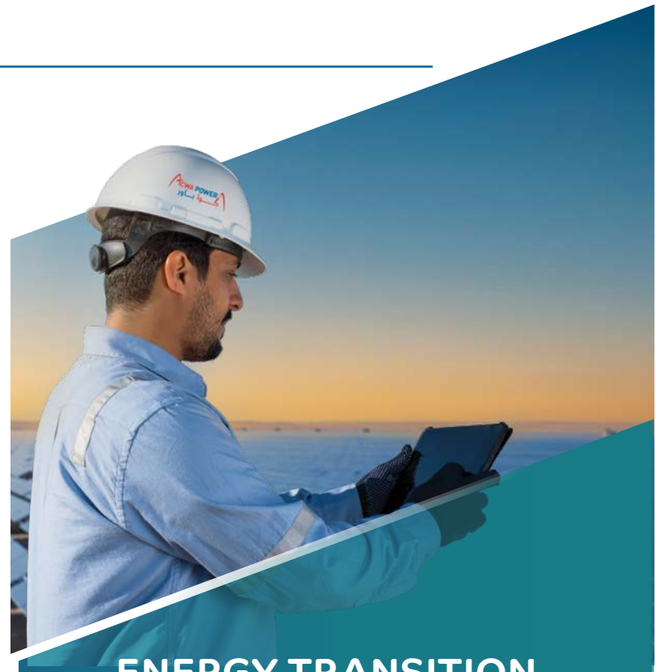
Total number of nationals
(% of total employees that are local nationals)

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 to grow the total workforce from over 3,700 to over 10,000 by 2030. The aim is not to just increase headcount but to develop the right combination of skills and expertise required to support the growth in assets, as the organisation works to achieve its ambitious 2030 targets. As part of this journey, ACWA Power sees its middle managers as key enablers, as these are the people closest to operations and by empowering them, leadership will be able to delegate more, while also developing a healthy pipeline of future leaders.

2023 was another successful year for ACWA Power and as always, this was due to the commitment, talents and energy of the whole team. The year was also significant because we undertook a complete, bottom-up re-appraisal of how we manage our people by conducting a thorough review of our current state and future needs as it relates to recruitment, retention and incentivisation, to drive performance.

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 we have the right talent at the right time,



ENERGY TRANSITION TAKES AMBITION
ACWA Power plans to increase headcount from over 3,700 to over 10,000 by 2030

senior management and the Board have recognised the need to focus on our people and endorsed the 2023–2030 People strategy.

The 2023–2030 People strategy is designed to attract, retain, and inspire talent to deliver our business strategy while further enhancing the 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 our employer brand to uplift our existing workforce via training and development opportunities, and to attract best in class talent via our enhanced employee value proposition.

Our People Strategy is focused and based on three pillars: Capability, Culture and Agility, which align well with Saudi Vision 2030 for an ambitious nation, a thriving economy, and a vibrant society.

CAPABILITY	CULTURE	AGILITY
Invest in developing our 'right to win' capabilities and attract new talent to deliver our strategic growth plan	Build a culture to attract, retain and inspire talent to thrive and reach their full creative potential	Deliver a fit-for-future agile organisation that offers an exceptional employee experience and is both stable (resilient, reliable & efficient) and dynamic (fast, nimble & adaptive)
Programmes		
Advanced recruitment programme Strengthening talent acquisition channels	**ACWA Power employer proposition programme** Elevating ACWA Power's employer brand	**P&C transformation programme** Enhancing HR practices for greater efficiency and effectiveness
Total rewards programme Motivating through rewards and benefits	**Values in action programme** Promoting and recognising our values	**Capacity planning and building programme** Strategically planning our workforce
Career development and succession programme Robust succession planning Strengthen performance management system	**Diversity and inclusion programme** Fostering a multinational culture that values diversity and inclusion	**Innovation enabler programme** Cultivating a culture of innovation
ACWA Power Academy programme Nurturing current and future leaders		**Experience management programme** Crafting unforgettable employee experiences
Talent bench strength programme Building a strong talent pipeline		
15 projects	10 projects	17 projects

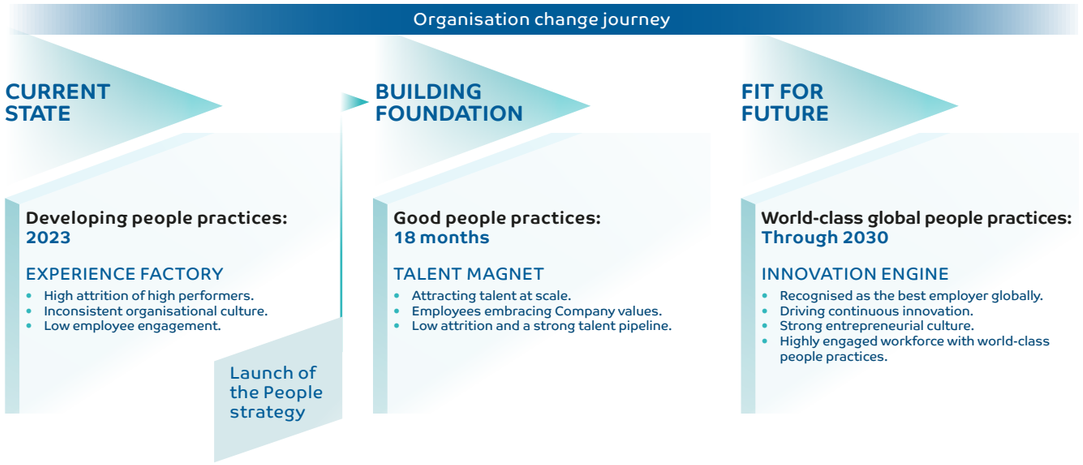
As the organisation grows and enters new markets, it will be critical to define the culture ACWA Power wants to promote, and this must be characterised by a strong brand and commonly accepted values. To start the process, we have already taken the first step of updating our head offices into an open plan environment which has helped promote collaboration and a 'One ACWA Power' feel.

Each of the three themes covered in the People strategy has specific programmes and projects defined as part of it to enable our transformation into a world-class employer that is recognised as a leader in promoting innovation, supporting entrepreneurialism and a place where talent is nurtured, developed and rewarded.

The organisation is not just committed to developing its internal workforce but also engaged in building and uplifting talent in the communities we operate in by partnering with local training institutes. Training is fundamental to our plans, and we continue to support the Energy and Water Academy (EWA), which currently trains around 800 graduates.

We are committed to increasing diversity and inclusion of women in our development programmes, consider diverse candidates during recruitment and promote colleagues based on merit to create a diverse workforce. The organisation is also working to intensify our local hiring in the 12 countries where we have a presence. As part of this we have already achieved a high localisation rate in all countries, except Bahrain and UAE, where we are committed to improve via the execution of our People strategy.

EXECUTION OF THE PEOPLE STRATEGY INITIATIVES WILL TRANSFORM ACWA POWER INTO AN INNOVATION-DRIVEN, GROWTH ENGINE



The Aspire performance management framework

Our new performance management process, ASPIRE, designed especially for ACWA Power, was fully extended to our NOMAC population in 2023. This has resulted in an integrated performance management process for the complete organisation across the Group, allowing us to assess and reward talent in a consistent manner. To further enhance the process, in 2023, we incorporated behavioural competencies in the performance management process to drive a consistent performance-based reward system across the complete organisation. The complete performance management process, from goal setting to reviews, has now been incorporated on a single unified platform, available to all employees.

Inviting and empowering our people to succeed

To achieve our goal of full energy transition and serve our stakeholders successfully, we rely on a range of talents drawn from the diverse communities where we operate. People are central to ACWA Power and we aim to have an inclusive culture in which all employees have a sense of belonging and feel valued.

ACWA Power recognises that diversity has many dimensions, including but not limited to, race, ethnicity, gender, age, religion, language, education and socio-economic background.

At the end of 2023, our workforce consisted of 3,701 employees (3,199 in 2022), spread across 12 countries.

Our employee accounting parameters include permanent full-time employees (ACWA Power and NOMAC), excluding project company employed employees or short-term/contractual employees. Previously, based on the old accounting method, we reported total full-time employees for 2022 and 2021 as 4,062 and 3,920. We have restated the employee data for 2022 and 2021 to 3,199 and 2,860 in order to maintain consistency in our accounting methodology.

Female employees comprise 10.1% of the total workforce, a significant increase from 7.4% last year. However, this is still a low ratio compared to the global industry benchmark. We are committed to increasing the share of women in the total workforce as well as in management positions (see Diversity and inclusion on page 125). By the end of 2023, female employees occupied 10.4% of managerial and director-level roles, a 2.6% increase from 2022.

The Company is committed to developing and using local talent wherever we operate, with a clear focus on uplifting the communities we serve. Our commitment to supporting local workforces was reflected in our employment of 2,074 local employees (2022: 1,807), representing 56% of the total workforce.

	2021	2022	2023
Total full-time employees	**2,860**	**3,199**	**3,701**
Full-time employees (men)	2,674	2,962	3,327
Full-time employees (women)	186	237	374
Share by women of full-time employees	6.5%	7.4%	10.1%
Total managers and directors	**750**	**1,193**	**1,017**
Managers and directors (men)	682	1,100	911
Managers and directors (women)	68	93	106
Share by women of managers and directors	9.1%	7.8%	10.4%
Local national employees	1,622	1,807	2,074
Share of local nationals in total employees	56.7%	56.5%	56.0%

Employees by age group

	2022	2023
Under age of 30	19.51%	21.86%
Between 30–50	70.21%	67.39%
Over 50	10.28%	10.75%

Employee turnover

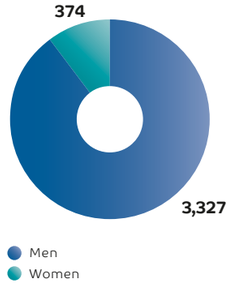
	2021	2022	2023
Total	**14.3%**	**9.6%**	**8.5%**
Male	14.6%	9.5%	8.4%
Female	9.7%	11.4%	9.6%
Under age of 30	9.0%	9.0%	10.0%
Between 30–50	14.7%	9.9%	8.2%
Over 50	24.3%	9.1%	7.5%

The following table demonstrates ACWA Power's commitment to developing and using local talent and has a high level of local employment in the communities where we operate. The only exceptions to this are Bahrain, where we have been exploring additional talent pools to incorporate in our talent acquisition strategy, and the UAE, which is home to ACWA Power's international office.

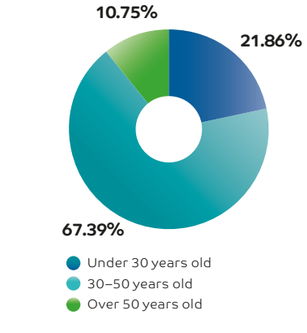
The standard entry-level wage at ACWA Power in the various countries where we operate is from 20% to 300% higher than the local minimum wage.

Country	Headcount	Locals	Expats	Localisation
Bahrain	81	43	38	53.1%
China	46	46	0	100.0%
Egypt	31	29	2	93.5%
Jordan	16	14	2	87.5%
Morocco	198	194	4	98.0%
Oman	237	192	45	81.0%
KSA	1863	1291	572	69.3%
South Africa	96	91	5	94.8%
Turkey	66	66	0	100.0%
UAE[1]	1000	49	951	4.9%
Uzbekistan	59	52	7	88.1%
Indonesia	8	7	1	87.5%

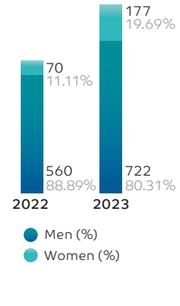
Employees by gender



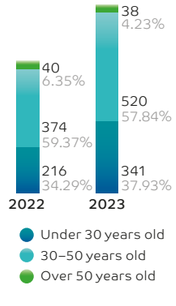
Employees by age



Rate of hires by gender



Rate of hires by age



[1] 88% of the UAE population is non-Emirati.

Employee engagement – attracting, retaining and developing our people

In line with the new People strategy, we are also focusing on providing a fulfilling and rewarding employee experience and on having one talent pool. We now have a single global HR Information system, with employee and manager self-service capabilities, supported via a knowledge database allowing employees to have easy access to required information and providing them with the ability to service most of their needs independently, without a need for follow-ups.

Employee training and development

As the organisation embarks on an exciting phase of ambitious growth and expansion, it is crucial to recognise the pivotal role our future leaders will play in our success. It is therefore important to nurture and transform our leaders, both personally and professionally. In today's business landscape effective leadership is more than just a skill, it is a strategic imperative.

32,549[1]
total training hours
delivered in 2023

To achieve our planned growth and ensure we use existing talent, the organisation has launched several leadership programmes to develop and nurture our leaders of tomorrow.



ENERGY TRANSITION TAKES AMBITION
ACWA Power plans to be the best employer in the region

[1] Independently verified by external party.

Leadership Accelerator Programme

To grow our internal talent, this programme is designed to accelerate leadership and build strong capabilities. The Leadership Accelerator Programme is a specialised and intensive development initiative, designed to identify, nurture and fast-track high potential individuals within ACWA Power. It targets high potential, mid-management level employees who are identified as having the capacity to take leadership roles or make significant impact on their growth. The programme aims to prepare participants for increased responsibility and leadership positions in a shorter time frame than traditional career progression might allow. It focuses on two leadership positions in ACWA Power, Executive Management Officer (EMO) and Plant General Manager (PGM). Through this programme, the participants are able to collaborate extensively, have access to experts, mentors and coaches, and opportunities to closely interact and network with senior leaders and executives. It is a 12 month programme, delivered in partnership with Hult EF.

Executive Leadership Transformation Programme (Flagship programme)

This is a unique opportunity designed to enable leaders to navigate the future. As leaders embark on this transformative journey, they are empowered to shape their learning and encouraged to seize the opportunities provided to them to further hone their leadership skills and foster internal growth.

As part of the programme, participants will enrol in four experiential modules held in different countries (Switzerland, the Kingdom, UAE) over eight or nine months. Each experiential module covers specific topics co-designed by IMD Faculty and ACWA Power leaders. Between each experiential module there are sessions led by the CEO (CEO Coffee Chats) and sessions led by the Management Committee (MC Roundtable) and sessions led by external guest speakers. In addition, there are 1:1 executive coaching and group coaching engagements and webinars with an IMD Faculty.

After the course, participants will have a senior leader mentor for one year to support their ongoing learning and career growth within the organisation. The programme requires dedication and commitment from the participant and is fully supported by senior management and the People and Culture team members and it prepares them for our senior-level roles as the next generation of leaders.

Revamped Graduated Development Programme

To build our future talent pipeline, the existing Graduate Development Programme has been revamped to align with future needs. It will be a year-long programme targeted at recent graduates and designed to foster their professional growth and equip them with the skills needed to excel in their respective fields. The programme combines on-the-job assignments, cross-functional rotations, formal in-person learning, informal social learning including coaching, mentoring from ACWA Power experts, exposure events, as well as a Capstone Project to solve critical industry challenges faced by ACWA Power. In partnership with BTS, the Company has developed a customised programme targeting five key capabilities:

- Leading self.
- Driving projects success.
- Collaborating across the organisation.
- Contributing to a culture of innovation.
- Creating value for ACWA Power by understanding the ACWA Power business model.

The graduates will also be assigned business goals with their performance evaluated on a quarterly basis. A final evaluation will take place towards the end of the programme to assess their overall readiness to be placed for a permanent role within their respective functions.

The successful ACWA Power LinkedIn partnership

Continuous learning is critical to ensuring our talent stays engaged and up to speed on recent developments. Our partnership with LinkedIn provides us with more than 15,000+ digital learning resources on numerous topics, including business and leadership skills, operations management, financial management compliance training and tools.

In 2022, the use of our LinkedIn-based learning programme increased by 13%. More than 90 employees undertook 39 external courses, or online learning modules, achieving a cumulative 22,507 learning hours.

LinkedIn partnership data for 2023:

- 743 of a total 1,000 licenses were activated by employees.
- Power and O&M employees have logged in 2,298 times, averaging four logins per user.
- Employees registered for 1,276 courses.
- 313 employees completed 676 courses.
- Employees spent 964 learning hours.
- Employees used over 40 LinkedIn courses to create 'learning journeys'.

MISHKATY

MISHKATY is the internal branding used for ACWA Power's Learning Management System (LMS). The platform functions as ACWA Power's primary learning platform, available to the whole organisation, and contains a course repository of over 12,000 topics including soft and technical skills, HSSE and a leadership course delivered via world class e-learning providers such as LinkedIn, Bookboon, GpiL, Safety Media, TTP and others.

The platform is integrated with ACWA Power's employee HR information system, allowing access to over 3,400 ACWA Power employees in 2023.

MISHKATY data for 2023:

- In 2023, 3,380 employees used MISHKATY to complete various courses, accumulating a total of 32,549 training hours.
- Using the platform, 30 technical training journeys and 153 technical competence exams were developed and rolled out across the organisation.
- The platform provided 90 instructor-led training sessions with topics covering soft, functional, and technical skills, and leadership training.
- A total of three new mandatory training courses were also launched, achieving a 95% completion rate.
- To enhance digital capabilities in agile, design thinking and user experience, the Company launched the digital transformation academy using the MISHKATY platform.

2023 learning demographics on MISHKATY, note that all the training data are verified by third-party assurance:

- Male colleagues completed a total of 28,745 hours of learning
- Female colleagues completed a total of 3,804 hours of learning

	Total training hours[1]	Average training hours/employee[1]
Total training hours	32,549	9.63
Total training hours by gender: male	28,745	8.50
Total training hours by gender: female	3,804	1.13
Total training hours by employee category: Associates	26,932	7.97
Total training hours by employee category: Middle management	3,700	1.09
Total training hours by employee category: Senior Management	932	0.28

Supporting our people's well-being

ACWA Power has prioritised employee well-being as a fundamental aspect of our Company culture.

We give our corporate employees the flexibility to work from home and in their home countries and make digital collaboration tools available to maintain efficiency and productivity.

Our new flexible workplace policy and guidelines, introduced in 2023, have been very well received by our employees, allowing them to adjust their working hours based on personal needs or to work remotely if needed. With a diverse workforce made up of colleagues who are either local to the location of work or expats, employees can manage personal commitments or save commute time by adjusting their work hours or use the remote working option when visiting home and family during holidays or on other personal trips.

Overall, we give employees flexibility and empower line managers to support their teams with the focus on delivery rather than how, and from where, work is delivered.

We have produced guidelines to reward tenure within the organisation, with eligibility increasing based on years of service, irrespective of grade. We believe that this new model will bring many benefits to our organisation and our employees.

To enable people to manage changes to the way they live and work, we hosted webinars with external experts on a range of issues, including mental health, fitness and stress management. Our global emergency assistance programme, collaboration with ISOS, provided a 24/7 confidential medical and travel support service to our people and their families.

We have built wellness into our revised HR policies and included wellness and occupational health in our medical insurance benefits. Survey results showed 96% of respondents were satisfied with the support they received and 99% were aware of pandemic-related safety protocols.

[1] Values are independently verified by an external party. Refer to the assurance report on page 244.

In 2023, we continued to build on our Employee Wellness Programme, which was initiated in March 2020 during the early days of remote work due to COVID-19 lockdowns. We addressed all aspects of well-being, including mental, physical, financial, social, and spiritual health. Throughout the year, we conducted monthly, and sometimes bi-monthly wellness sessions, which were scheduled to align with both local and international occasions such as World Mental Health Day, World Safety Day, and Breast Cancer Awareness. Most sessions were conducted online, with some being hybrid.

We introduced fun and interactivity into our initiatives, with engaging campaigns like the summer and hydration campaigns, and a 'fun at work' challenge that involved both employee and personal improvement tasks.

Looking ahead to 2024, we are committed to sustaining these efforts and plan to introduce even more creative and engaging activities and events designed to further enrich the well-being of our employees. We remain dedicated to ensuring our team's holistic wellness by fostering a supportive and dynamic work environment.

Diversity and inclusion

ACWA Power is committed to providing equal opportunities for the female workforce on all levels in alignment with Saudi Vision 2030. As part of the 2022 corporate KPI setting, we set a target to have a minimum of 10% female representation in the Kingdom and 15% in UAE by end of the year 2023. This target will gradually increase on an annual basis to comply with the targets of Vision 2030. In 2023 we achieved 10.1% for the share by women of full-time employees (up from 7.4% in 2022). The Company does not discriminate based on gender and offers the same grade-based salary to both male and female recruits

In the Kingdom, including the sponsorship of 60 females currently in a vocational training programme, we increased total female hires by 57.8% compared to 2022.

In UAE we focused mainly on bringing in female graduates through our Graduate Development Programme.

For both the Kingdom and UAE, we are also exploring new, diverse talent pools, which will help us hire more women.

As part of ACWA Power's efforts to have a diverse work environment, a specific function was created in 2022 to oversee diversity in the ACWA Power workforce. The oversight of our diversity and inclusion performance lies with the Chief Human Resources Officer, and the Management Committee is regularly updated on it.

In 2023 the Company ensured the implementation of strategies to attract a diverse pool of talent during the recruitment and hiring process. The Company ensures equal opportunity for all its internal and external candidates by not specifying gender, nationality, age, or disability in any job posting. We have increased the number of women in management through increased female recruitment in various management levels (VPs, Directors, Managers) as well as by promoting the already existing female staff to managerial roles.

The Company will provide training programmes and workshops to raise awareness among employees about diversity, inclusion, and unconscious bias. These initiatives will help foster a more inclusive work environment and promote understanding and respect among employees. As part of the People and Culture Strategy, there will be a female mentorship programme, as well as a female leadership programme.

The Company has a section in our Code of Conduct and Ethics Policy especially dedicated to promoting diversity and inclusion.

At ACWA Power, we value our differences in background, skills, perspectives, and thinking. We encourage everyone to collaborate, innovate, and perform to their full potential.

Employee benefits

In addition to their statutory benefits, all our employees are eligible for a bonus payment each year, depending on individual and Company performance.

As we aspire to be the best employer in the region, and to support our employees' different lifestyle needs, we finalised a package of flexible benefits in 2023 which was rolled out in 2024. The benefits can be tailored to each individual to cater their needs and fully maximise their value, and include:

- Parents medical insurance
- Educational support for degrees and certifications
- Wellness programmes
- Daycare services support
- Connectivity support
- Transportation and vehicle-related expenses

We also offer various other allowances for housing, transportation, toll-fees, travel and mobile phones for all our employees.

The Company also harmonised several benefits across different business lines in the GCC region, impacting over 2,500 employees and enabling the organisation to deploy and allocate talent with ease, while ensuring internal equity.

Health and Safety

In 2023, ACWA Power undertook significant strides in Health, Safety, Security, and Environment (HSSE), guided by our overarching commitment to embedding accountability at the core of our operational ethos. Our concerted efforts, steered by the Safety Executive Committee (SEC) and the global Safety Task Force (STF), have established new benchmarks in safety and well-being, both within the organisation and across our project sites.

In 2023, we accumulated

72

million working hours

and a lost-time injury (LTI) rate of 0.01[1] at our 81 assets (construction and operational sites) in 12 countries.

Highlights of 2023

- Leadership-driven safety initiatives: The SEC, comprising C-Suite executives, has been pivotal in fostering a culture of safety and accountability across ACWA Power. Their bi-weekly strategy sessions and implementation of key initiatives like behaviour-based safety programmes have significantly enhanced our workplace safety standards.
- Safety Task Force's proactive approach: The STF's identification of nine key elements for safety enhancement led to the implementation of 42 actions. These actions ranged from updating HSSE procedures and revamping the Permit to Work System to intensifying leadership engagement in HSSE management, all contributing to a robust safety culture.
- Strategic shift to accountability in HSSE: 2023 marked a paradigm shift in our HSSE strategy, transitioning from traditional injury metrics to an accountability-driven approach. This strategic realignment, focusing on people-based safety and proactive management, has been fundamental in embedding a culture of safety and responsibility.
- Digital transformation in HSSE Management: Our adoption of digital tools, including AI for data analysis, has set a new standard in data-driven safety management. These tools have enhanced our capabilities in predictive risk assessment and real-time safety monitoring.
- Implementation of Third-Eye AI technology: The deployment of Third-Eye AI at key sites has exemplified our commitment to employing cutting-edge technology in safety management. This AI-powered monitoring system has been crucial in enhancing real-time hazard identification and intervention capabilities.
- Employee engagement and participation: Our multi-channel strategy for employee engagement in HSSE has fostered an inclusive environment, where every employee contributes to our safety journey. This approach reflects our dedication to surpassing industry standards in HSSE.
- Comprehensive occupational health services: The development of the Occupational Health Manual and the implementation of various health programmes underscore our commitment to employee well-being and proactive health management.

[1] Independently verified by external party.

Looking ahead to 2024

As we progress into 2024, ACWA Power is poised to build upon the successes of 2023. Our focus will be on further enhancing digital HSSE tools, expanding the deployment of Third-Eye AI technology, and continuing to cultivate an accountability-focused safety culture. Our strategic plans are aligned with our mission to not only ensure the safety and well-being of our workforce but also to set new standards in sustainable and responsible business practices.

Executive Safety Committee: Driving HSSE excellence

ACWA Power is committed to the goal of eliminating workplace injuries. This commitment is led by our Safety Executive Committee (SEC), composed of top-level C-Suite executives, who are at the forefront of fostering a culture of safety throughout the organisation. This committee, which meets bi-weekly, includes the CEO, COMO, CPMO, and the Global Head of HSSE. Their role is to regularly assess HSSE performance and to spearhead Company-wide safety initiatives, providing strategic guidance.



The committee has launched several key initiatives, such as testing a behaviour-based safety programme, ensuring the effectiveness of Safety Task Force actions, and implementing rigorous contractor due diligence. They are also focused on improving EPC HSSE plans and engagement, enforcing a zero-tolerance policy, and enhancing the overall safety culture within the organisation. This includes introducing safety moments at the start of meetings, conducting management safety walkdowns, adopting digital tools, and investing in comprehensive employee training programmes. These efforts demonstrate our unwavering commitment to safety and continual improvement in our workplace.

Safety Task Force

In 2022, ACWA Power's top leadership initiated a global Safety Task Force (STF) to enhance the organisation's safety culture. This task force identified nine key elements, under which 42 actions were pinpointed for implementation at both corporate and site levels in 2023. These actions comprised on nine key elements and their major actions/ initiatives are as follows:

- HSSE procedures update: ACWA Power reviewed and updated its HSSE procedures in alignment with international best practice. Key contents from these documents were transformed into short summaries and bilingual videos for broader accessibility and comprehension across the organisation.
- Permit to Work System: The PTW system for construction and operational scopes underwent a review and update. A PTW coordinator was appointed, and PTW roles at sites received training and reauthorisation to enhance safe work management.
- EPC management: ACWA Power detailed minimum requirements for EPC contractors in a new Owner Safety Specification (OSS) document. These standards are being incorporated into new EPC contracts, with EPC contractors being educated on ACWA Power's HSSE expectations through workshops at corporate, regional, and project management levels.
- Leadership engagement: Corporate, BU, and project leaders at ACWA Power have documented engagement in HSSE management, which includes conducting safety walkdowns, site visits, standdowns post incidents, and incorporating safety moments in meetings.
- Training and competency: A comprehensive approach was adopted to enhance HSSE competency. This included establishing minimum HSSE competency pathways, training leaders in safety leadership, and line supervisors in hazard identification and stop work authority. Additionally, standard digital HSSE induction packages were developed for different employee categories.
- Structured communication: Company-wide safety communications were strengthened. This includes defining 12 Life Saving Rules, drafting an HSSE Charter for management, and rolling out an anonymous digital HSSE reporting system to encourage safe performance and behaviour reporting.

- Recruitment and integration: HSSE involvement in key role hiring for construction projects has been emphasised. Training needs identified in individual development programmes are being addressed based on the developed HSSE competency pathways.
- Accountability measures: Documentation and measures have been put in place to reward and hold personnel accountable for HSSE performance, aligning with expected behaviours and individual KPIs.
- Digitalisation: Initiatives include AI-enabled real-time monitoring of safety conditions (Third Eye), introduction of a real-time global platform (Power BI) for HSSE performance monitoring, and data retrieval for trend analysis and improvement.

These actions reflect ACWA Power's commitment to advancing its safety culture and HSSE performance through strategic initiatives and innovative solutions.

Strategic HSSE Development

In 2023, ACWA Power's Safety Executive Committee (SEC) spearheaded a strategic shift in HSSE performance measurement from the traditional focus on the absence of injuries to a more dynamic and preventive approach emphasising the presence of controls. This transition is pivotal in driving performance and aligning with the Company's high consequence control focus. The SEC, including the CEO and other C-Suite executives, played a crucial role in fostering this culture of safety throughout the organisation. Their efforts to implement behaviour-based safety programmes and build a team dedicated to people-based safety have been key, and improving contractor due diligence has contributed significantly to this paradigm shift.

The Safety Task Force (STF) developed a comprehensive framework to enhance ACWA Power's safety culture in 2023. It advanced initiatives that included refining HSSE procedures and strengthening leadership engagement. Moreover, the STF's recommendations laid the groundwork for the upcoming year's strategies, focusing on establishing a unified HSSE system and activating the frontline workforce through safety culture initiatives.

For 2024, the SEC plans to continue enhancing digital frameworks, including the full integration of tools such as Third-Eye, Synergi Life, SAP, and Oracle, to boost AI-driven insights for HSSE decisions. These developments underscore the move towards predictive risk management and proactive safety measures.

The new innovative Site HSSE Score system introduced by the HSSE Core Team in 2023 exemplifies the new performance focus. It incorporates both proactive and reactive indicators to generate a safety performance heatmap and alert teams to deviations, allowing swift intervention. This system embodies the Company's move towards a focus on the presence of controls, marking the beginning of a journey toward a deeper understanding of safety excellence beyond just the absence of injuries.

For 2024, the SEC will reinforce the emphasis on High Consequence Control (HCC) to manage and mitigate high-severity risks proactively. The commitment to HCC is about ensuring robust controls are in place and functioning effectively, rather than merely recording the lack of incidents, which represents a reactive stance. The Site Safety Ranking System will continue to evolve, providing live and continuous monitoring to enhance the visibility of site performance for Executive Management Officers (EMOs) and plant General Managers (PGMs), facilitating immediate actions on critical items and continuous improvement.

ACWA Power's strategic realignment in HSSE reflects its commitment to operational excellence and sustainable growth. Through a focus on HCC and the presence of robust controls, ACWA Power is positioning itself as a leader in safety performance, ready to meet the challenges of today and the opportunities of tomorrow.

Digital Evolution in HSSE Management

- In 2023, ACWA Power has taken significant strides in developing and implementing digital tools for Health, Safety, Security, and Environment (HSSE) performance, with plans to further enhance these initiatives in 2024.

HSE Insights through Artificial Intelligence (AI):

- Development in 2023: ACWA Power initiated a Proof of Concept (POC) with a third-party to leverage AI for analysing vast amounts of structured and unstructured HSSE data. This included using Natural Language Processing (NLP) to analyse incident descriptions, identifying patterns, trends, and root causes that might be missed by human analysis.
- Plans for 2024: Following the success of the POC, ACWA Power plans to expand the scope of this project. This will involve more in-depth data science and data modelling activities, focusing on a broader range of data sources. The aim is to evolve the AI analytics to predict and prevent incidents proactively.

HSSE KPIs & Training Data Digitalisation:

- Development in 2023: ACWA Power launched a digital dashboard for monitoring HSSE KPIs across various regions. This dashboard offers real-time data, aiding in tracking site performance against KPI targets. Additionally, a centralised digital platform for HSSE training data reporting and monitoring was rolled out, enhancing the effectiveness of training programmes.
- Plans for 2024: The focus will be on refining these digital tools to provide insights and facilitate data-driven decision-making. Improvements may include advanced analytics, more comprehensive training modules, and integration with other digital HSSE tools.

Implementing Third-Eye AI: a year of technological successes

In 2023, ACWA Power implemented the Third-Eye, a cutting-edge safety monitoring technology that uses artificial intelligence and camera systems to enhance safety management in construction and operational environments. Initially piloted by ACWA Power at the Hassyan project site, this technology has demonstrated significant potential in improving workplace safety. It offers a comprehensive approach to monitoring various safety aspects, such as the use of personal protective equipment, area control measures, vehicle operations, behavioural safety practices, emergency detection, and visitor tracking.

The AI component allows for in-depth analysis of safety-related data, enabling real-time identification of potential hazards and facilitating prompt intervention. Its deployment at additional sites reflects ACWA Power's commitment to leveraging advanced technology to ensure a safer working environment, by not only detecting but also predicting safety risks, thereby fostering a proactive safety culture.

AI camera-powered safety monitoring technology across select project sites, following its successful pilot at the Hassyan project. The expansion for 2024 is set to further harness this technology's capabilities.

Implementation in 2023:

- Deployment Sites: Third-Eye deployment started at five key sites in the Kingdom and Uzbekistan, including three construction and two operational sites. These sites were chosen for their high worker numbers and the stage of construction work.
- Enhanced Capabilities: Building upon the initial use case at Hassyan, which focused on personal protective equipment usage detection, Third-Eye's capabilities were expanded. The technology now includes a broader range of use cases such as area controls, vehicle monitoring, behavioural safety, emergency detection, and visitor tracking.
- Collaboration and Integration: The ACWA Power HSSE, Digital, and Project Execution Oversight departments worked in tandem with technology vendors, Project Companies, and NOMAC teams on the ground. This collaboration ensured the effective implementation of the solution and enabled the recording and analysis of safety violations.
- Vendor Agreement: A global framework agreement was established with the technology vendor to secure preferential rates and standard terms for the deployment of Third-Eye.

Plans for 2024:

- Expansion of Deployment: ACWA Power plans to significantly ramp up the deployment of Third-Eye in 2024. The aim is to add 10 more sites, primarily in construction, to the current deployment.
- Real-Time Safety Monitoring: The expanded deployment will aid site teams in monitoring and addressing safety issues in real time, enhancing overall site safety and efficiency.

This strategic implementation and planned expansion of the Third-Eye AI technology demonstrate ACWA Power's commitment to leveraging innovative digital solutions for enhancing safety across its projects. The focus on real-time monitoring and the ability to address a wide array of safety-related scenarios mark a significant step forward in the Company's HSSE practices.

Enhancing employee participation in HSSE

At ACWA Power, employee participation, consultation, and communication in occupational health and safety are integral components of our organisational culture and strategy. We recognise the importance of actively involving our workforce in safety initiatives and value their insights in shaping our safety practices. Our approach is multi-faceted, involving various platforms and activities to engage employees and stakeholders at all levels.

Key strategies and initiatives:

- HSSE Webinars and quizzes: since 2021, we have been conducting regular monthly webinars on safety topics, featuring expert speakers and incorporating Q&A sessions. These webinars are complemented by quizzes with awards, encouraging active participation and learning.
- Bimonthly HSSE campaigns: a programme of regular HSSE campaigns is conducted every two months to keep safety at the forefront of our operations.
- Safety moments and lesson sharing: we have standardised the sharing of safety moments and lessons learned, both from internal sources and industry-wide incidents. This initiative ensures a continuous learning environment.
- Behavioural-based safety programmes: these programmes have been developed and rolled out to cultivate a safety-first mindset among our employees.
- HSSE competency pathways: tailored for our three workplace categories (Offices, O&M, and Projects), these pathways were created in consultation with employees and stakeholders. They incorporate trainees' feedback and an evaluation process aligned with the Kirkpatrick Model, adjusted to suit our specific needs.
- Energy and Water Academy (EWA) programmes: EWA programmes include feedback mechanisms, assessments, and performance evaluations. A notable initiative in 2023 is the development of 30 HSSE Female Officers, incorporating comprehensive training and evaluation processes.
- Partnership with Shirin Energy College: this collaboration aims to provide training and educational opportunities for students, enhancing their future employment prospects. Regular information sessions with college management and students ensure alignment with educational and training pathways.
- NMES training centre concept: this concept includes immediate and long-term solutions for training, emphasising the establishment of a dedicated facility and agreement processes.
- Enhanced HSSE communication: we are focused on improving the communication of HSSE-related information through various channels like webinars, the intranet, HSSE hub, and events.
- Workshops with EPC contractors/partners: these workshops facilitate open communication and trust-building between ACWA Power and its contracted parties, ensuring that feedback and insights are shared and acted upon effectively.

Through these diverse and comprehensive approaches, we ensure that our employees are not just participants but active contributors in shaping a safe and healthy work environment. This commitment to employee engagement in health and safety reflects our dedication to not only meeting but exceeding industry standards in HSSE.

Dedication to occupational health and wellness

ACWA Power has established a comprehensive approach to occupational health through the development of an Occupational Health Manual. This manual serves as a guideline for various protocols and programmes aimed at promoting and maintaining the health and well-being of employees, especially in relation to occupational hazards and illnesses.

Key components of the occupational health services and programmes:

- Medical checkups: regular medical checkups are a cornerstone of ACWA Power's occupational health services. These checkups are comprehensive and include various health parameters to ensure early detection and prevention of work-related health issues.
- Health risk assessment: the Company conducts thorough health risk assessments to identify potential health hazards associated with different job roles and work environments. This proactive approach helps in mitigating risks and implementing targeted health interventions.
- Fatigue management: recognising the impact of fatigue on employee health and safety, ACWA Power has protocols in place for fatigue management. This includes measures to prevent fatigue-related risks and strategies to manage fatigue effectively among employees, especially those in operationally critical roles.
- Technology-specific risk assessment: the manual includes guidelines for technology-specific risk assessments. This aspect ensures that health risks associated with specific technologies and processes are identified and managed appropriately.
- Preventive measures and programmes: the manual outlines various preventive measures and programmes designed to reduce the incidence of occupational illnesses. This might include vaccination programmes, ergonomic interventions, and awareness campaigns about occupational health hazards.
- Curative measures: in the event of occupational illnesses, the Company provides curative measures which may include treatment protocols, access to medical specialists, and rehabilitation services to support employee recovery.
- Continuous monitoring and improvement: ACWA Power's approach includes continuous monitoring of the effectiveness of its occupational health services and programmes, with adjustments and improvements made as needed.
- Employee training and awareness: employees are educated about occupational health risks and the importance of preventive measures. Training sessions and awareness programmes are integral to ensuring that employees are well-informed and equipped to take proactive steps in maintaining their health.

By implementing these comprehensive occupational health services and programmes, ACWA Power demonstrates its commitment to safeguarding the health and well-being of its employees, particularly in relation to occupational hazards and illnesses. This holistic approach not only helps in preventing occupational diseases but also ensures the effective management and cure of such illnesses, should they occur.

Lost time injuries

The overall LTI rate was 0.01. This was achieved by adopting industry best practice, advanced monitoring tools, notably Synergi Life, compliance assurance programmes (such as OHSE (Occupational Health, Safety and Environment) and process safety audits), sharing of lessons learned and ongoing HSSE (Health Safety Security and Environment) training and development.

Health and Safety

		2019	2020	2021	2022	2023
ACWA Power total (operational + construction)						
Hours worked (million)	total	52	62	104	80	72
Lost Time Injuries (LTIs)[1]	total	12	10	2	4	4
Recordable injuries[1]	total	53	36	26	27	20
Total Case Injury Rate (TCIR)[1]	average rate	0.20	0.12	0.05	0.07	0.06
Fatality[1]	total	2	0	2	3	0
Lost Time Injuries (LTIs)						
LTI – employees[1]	total	1	1	0	1	2
LTI – contractors[1]	total	1	1	2	3	2
LTI rate[1]	average rate	0.03	0.03	0.01	0.02	0.01
Operational projects						
Hours worked (million)	total	14	13	13	13	15
Lost Time Injuries (LTIs)	total	2	2	0	1	4
Recordable injuries	total	13	10	12	14	11
Total Case Injury Rate (TCIR)	average rate	0.18	0.15	0.18	0.21	0.14
Fatality	total	0	0	0	2	0
Lost Time Injuries (LTIs)						
LTI – employees	total	1	1	0	1	2
LTI – contractors	total	1	1	0	0	2
LTI rate	average rate	0.03	0.03	0	0.04	0.05
Construction projects						
Hours worked (million)	total	38	49	91	66	57
Lost Time Injuries (LTIs)	total	10	8	2	3	0
Recordable injuries	total	40	26	4	10	9
Total Case Injury Rate (TCIR)	average rate	0.21	0.11	0.03	0.03	0.03
Fatality	total	2	0	2	1	0
Lost Time Injuries (LTIs)						
LTI – employees	total	0	0	0	0	0
LTI – contractors	total	10	8	2	3	0
LTI rate	average rate	0.06	0.03	0.01	0.01	0
LTI rate target – Operational sites	target rate	–	0.13	0.1	0.1	0.1
LTI rate target – Construction sites	target rate	–	0.13	0.13	0.13	0.13
Recordable injury rate target – Operational sites	target rate	–	0.35	0.2	0.2	0.2
Recordable injury rate target – Construction sites	target rate	–	0.35	0.35	0.35	0.3

[1] Values are independently verified by an external party, with assurance report available on page 244.

Local communities

Contributing to our communities

ACWA Power 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.

Stimulating the Kingdom's ingenuity

We continue to support the considerable potential of Saudi youth to originate progressive and sustainable ideas. To highlight the efforts of the next generation of innovators, 'The Power is Within You' is an initiative which includes an incubation programme designed to help develop winning ideas, using a dedicated training and mentoring process.

The programme empowers youth in the Kingdom to create, ideate and innovate in the power and water sectors. It is part of ACWA Power's drive to achieve the renewable energy goals set out in Vision 2030 and builds on our successful track record of using cutting-edge technology to transform operations.

Our community initiatives

ACWA Power has always considered itself to be an integral member of the communities in which it operates. We prioritise community engagement and address the most pressing issues our communities face with relevant CSR programmes. We are fully committed to community development, social responsibility and supporting sustainable livelihoods.

We channel resources to CSR initiatives wherever we operate – whether mandated by the terms of our agreements or not – and encourage our business units operating in diverse locations to factor CSR considerations into their operations. When launching CSR initiatives, due consideration is given to the diversity of regional cultures, values and customs.

Social contribution

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 project is the Energy & Water Academy, formerly named Higher Institute for Water and Power Technologies (HIWPT); the Company 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. (See pages 135 and 136 for more on this).

ACWA Power has also sponsored Shirin College in Uzbekistan to develop a training and education programme in renewable energy.

ACWA Power has sponsored other such educational initiatives in countries including Oman, South Africa, Turkey, Egypt and Morocco.

Beyond education and training, the Company has supported other community initiatives, for example, the work of the Emirates Marine Environmental Group (EMEG), which is protecting the marine habitat along the Hassyan coastline.

CSR spending

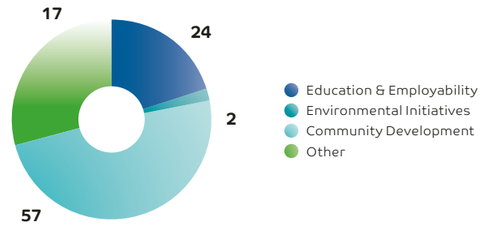
ACWA Power allocates a high proportion of its CSR budget to the Kingdom, Uzbekistan, Morocco and South Africa.

The Company prioritises education and employability in the Kingdom and Uzbekistan with EWA and Shirin College, respectively, and focuses on community development in Morocco and South Africa.

Total CSR spending in 2023 was

SAR 26.5 million

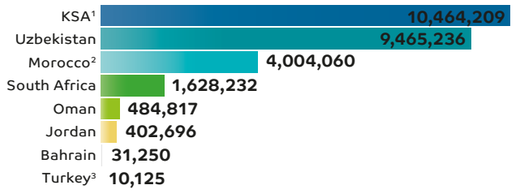
Overall CSR Spending Per Focus Area (%)



CSR Spending (million SAR) 2021–2023



Overall CSR Spending Per Country in 2023 (SAR)



Major initiatives in 2023

Countries	Main Initiatives	Spending SAR
KSA	1. Supporting EWA various initiatives such as: – Workforce Development Programme (WFDP) – Summer training Programme 2. Turkey Earthquake Response (direct relief) 3. Morocco Earthquake response (different projects proposed by Morocco Office)	10,464,209
Oman	1. Sponsoring Health, Sports, Environmental & Education projects 2. Training & internship programs 3. Rehabilitation of Persons with Disabilities in Mirbat	484,817
Bahrain	1. Support local Bahraini talent/training	31,250
Uzbekistan	1. Shirin College 2. PV instalment for community 3. Community engagement initiatives	9,465,236
Morocco	1. Education: – Literacy courses for Women – Supporting schools' fees 2. Agriculture: – Cattle feed distribution 3. Infrastructures – Electrification of Households – Building of a multi-purpose room – Building of a water collection tank 4. Earthquake relief	4,004,060
Jordan	1. Skills training programme 2. Rehabilitation of schools and public venues (football field)	402,696
South Africa	1. Supporting local schools 2. Clean-Up Campaign 3. NOMAC Bridging Programme	1,628,232
Turkey	1. TEMA (Turkish Foundation for Soil Erosion, Reforestation and Protection of Natural Habitats) 2. Food parcels	10,125

[1] KSA CSR Budget consist of 4 components: CSR Corporate Budget, NOMAC CSR Budget, Red Sea CSR Budget, GULF CSR Budget.
[2] Part of Earthquake Relief in Morocco was contributed by Corporate CSR Budget.
[3] Earthquake Relief in Turkey was contributed by Corporate CSR Budget.

Tree planting in 2023



Marco Arcelli,
CEO

How do you plant 10 billion trees in #SaudiArabia?
One at a time.
Very happy to plant one tree at the SWEC nursery and be part of the Saudi Green Initiative!

Posted: September 2023



Like Comment Repost Send

Country	Assets	Number of trees planted	Period	Description	Cost
KSA	Shuaibah	200,000 (2023)	The project is a five year commitment made in 2022.	This is a strategic initiative of ACWA Power for five years, In line with Saudi Green Initiative to plant 10 billion trees across the Kingdom. The initiative will establish a nursery plant to produce 1,000,000 seedlings and distribute them to various beneficiary entities such as the Government and private sectors. The types of trees planted are; Commiphora Gileadensis, Ziziphus Spina, Capparis Decidua, Salvadora persica, Maerua Crassifolia, Tamarix Aphylla, and Ficus sycomorus.	Investment in tree planting overall budget is SAR 1.6 million over five years.
Jordan	Mafarq APM & Risha APR	+280 trees (annually)	The project has been running for two years between 2022–2023.	Planted trees were a mix of olive trees, melia candollei trees and fruit trees.	There are no costs – all tree plants were brought from agricultural departments in the Mafraq governorate office.
Morocco	Noor	1,000 trees (planted in 2022) 6,000 (accumulative)	The project has run for six years, between 2017–2022.	The vitro-plants plantation programme is a partnership between ACWA Power (Noor) and the Ouarzazate Agricultural Development Office, (ORMAVO). The type of vitro-plants consists of two local palm plantations, Nejda and Boufeggous.	Trees were donated by the Ouarzazate Agricultural Development Office known as (ORMAVO). The total cost of the programme is SAR 667,500.
UAE	Hassyan	2,000 (planted in 2023)	2023	The tree plantation effort at Hassyan is part of strategic partnership with the environment agency to conduct various environmental activities to preserve the environment at the project's sites.	No cost. Trees were provided by local authority, and the planting was carried out by volunteers.

13 CLIMATE ACTION

The project to grow trees on a large scale has a material impact on CO_2e reduction.

CSR projects

The Energy and Water Academy (EWA) in Rabigh, sponsored by ACWA Power

The academy has trained more than 15,000 trainees through diploma courses and development courses since its founding by ACWA Power in 2009. 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 academy is accredited by King Abdullah City for Renewable and Atomic Energy to provide training courses in the field of solar and photovoltaic energy, and has signed with eight companies since the beginning of 2023, with a total of 475 trainees, male and female.

We have received overwhelming response, with a total of 135,000 applicants. At the beginning of the new academic year in August 2023, EWA welcomed 800 trainees in energy, water desalination and other specialist industrial topics.

Furthermore, the academy is empowering Saudi women in the renewable energy, water, and occupational health and safety sectors, through a specific training programme, starting with employment, for 75 young women. ACWA Power is investing 90% of the cost of this training and sponsored 15 female trainees in 2023.

The academy comprises campus general services, an auditorium for assembly and exhibition, dining, recreation, and parking areas; a computer lab and workshops; a conference room; housing facilities for trainees, faculty, and staff; and a business centre for visitors to campus.





Marco Arcelli,
CEO

Today was by far my best day at ACWA Power! I visited the EWA – The Energy and Water Academy in #Rabigh for the graduation of 178 students who will now join NOMAC, ELSEWEDY ELECTRIC and other companies in the energy and water sector. They are the people who will ensure that our lights are on and that the water flows to fuel the growth of the beautiful country under Saudi Vision 2030. Looking at the passion in their eyes, and the competence of their trainers, I can tell you we are in good hands! I am really proud to support this institution!

Posted: November 2023

Like Comment Repost Send





The Energy and Water Academy (EWA) at Rabigh: solar PV carport on the campus

The solar PV carport is a significant project by EWA trainees; it provides a sustainable source of energy on the campus of about 300 kW capacity, enough to reduce power consumption at the academy by 25%. The carport has 516 solar panels on its roof and provides staff and guests with a place to park.

ACWA Power gave strong support to the project and was the primary sponsor, recognising that it encourages the use of clean energy and provides a learning environment for male and female trainees in renewable energy at the academy.



The Energy and Water Academy (EWA) at Rabigh: academic Building C project

ACWA Power sponsored a new academic building on the EWA campus, close to the mechanical workshop. The building has an elegant interior design and is fitted with all the components needed for smart classrooms.

Female trainees use the building, which can accommodate around 150 people. It features five rooms for academic classes, a computer lab with 20 seats, a canteen with a spacious coffee area for break times, and an office for staff. The structure, the first academic addition to the campus in 12 years, is a valuable facility for the growing number of trainees at EWA.



The Energy and Water Academy (EWA) at Rabigh: business centre

ACWA Power is the lead sponsor for the recently-constructed business centre on the EWA campus. The state-of-the-art building provides a learning environment and new opportunities for business and event gatherings. The well-designed building has two major functional areas:

- A hall to host VIPs, guests, and visitors to EWA, as well as internal activities on campus and accommodate outside events such as workshops and conferences. With a total space of 216 m², it can accommodate up to 200 guests for formal occasions and 33 guests and has additional service areas.
- A 19 m² meeting room with modern amenities needed for business gatherings, with capacity for 25.

Support for education and training in technology at the EWA gives young people career opportunities and provides more expertise for energy transition.



Morocco Social Project

Our CSR efforts in Morocco focuses on community developments and we have conducted more than 40 social initiatives in different areas, for example, in education we have conducted the following initiatives:

- Literacy: Literacy courses for the Women of Ghassate area.
- Academic support classes for middle school children of Ghassate.
- Cultural Workshops for middle school children of Ghassate.
- Organizing Academic guidance & orientation days.
- Supporting the Dar Talib & Dar Taliba fees.
- INDH + Agreement with the province for the management of the school bus service in the rural area.
- Purchase of schoolbooks.
- ‘Chill Out’ & ‘Lunch’ for children enrolled in Bennaji Middle School coming from far villages.





Uzbekistan Shirin College

Our flagship CSR initiative to enhance and transform Shirin College has been a continuous effort since 2021. In 2023 we have conducted several initiatives improve the college such as:

- ACWA Power enhancement program for all three grades.
- Innovation Projects.
- Employees Development Program.
- Partnership with EWA to transform the school in terms of curriculum development, training methods, and equipment.
- Students number:
  - 762 students (in three grades & special training groups)
- Graduates number:
  - 85 graduates (special groups)
  - First patch of 3rd grade will graduate in September 2024
- Applications number:
  - +350 applicants (per annum)



Support for education and training in technology at the EWA gives young people career opportunities and provides more expertise for energy transition.





CORPORATE GOVERNANCE FRAMEWORK

In its effort to act in the best interests of its shareholders by delivering sustainable shareholder value and to ensure compliance with the Corporate Governance Regulations issued by the Capital Market Authority ('CMA') of the Kingdom, ACWA Power uses a Corporate Government Framework (the 'Framework') that models best practice as defined by the CMA and the Companies Law ('Law') of the Kingdom in addition to other applicable benchmark practices and standards.

The Company aims to be a world class entity in its corporate governance affairs by continuing to model its framework in line with international best practice in terms of transparency, sufficient disclosure and fair administration. The IPO process in 2021 was helpful in both confirming the high standard that the Company has achieved ever since it adopted a Code for Corporate Governance in 2009 while it was still a private company and allowing it to identify and capture opportunities to further reinforce and upgrade its governance standards.

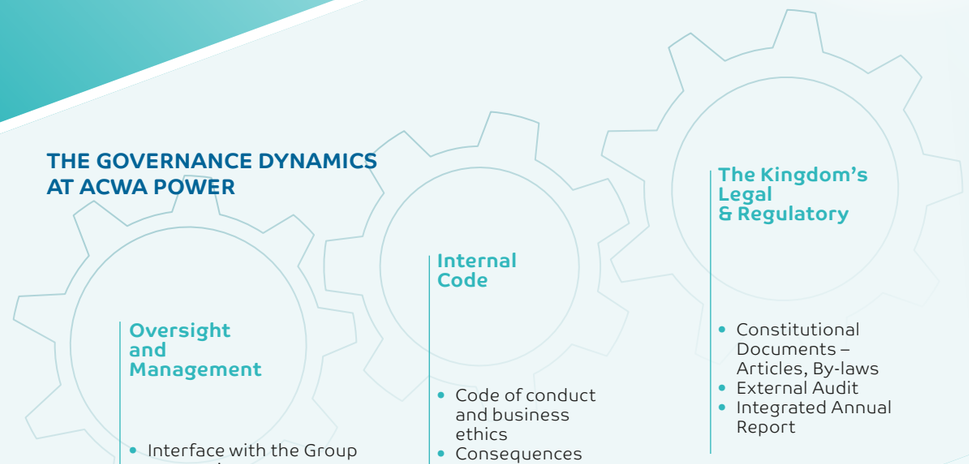
The key sources for the application codes ('Codes') under the Framework are the Corporate Governance Regulations and the Rules on the Offer of Securities and Continuing Obligations issued by the CMA in addition to corporate governance best practice.

The Company has adopted a Code of Corporate Governance ('Code of CG'), in line with applicable laws and regulation, which was approved by the Board of Directors of ACWA Power (the 'Board') on 7 April 2021 (corresponding with 25 Sha'aban 1442H) to support and adopt principles of good governance, including, accountability, transparency, responsibility and fairness. Further, the Company, guided by its Board of Directors, continues to assess and examine its governance and agility by comparing its systems with established international practices in order to further strengthen its internal reporting, disclosures and controls.

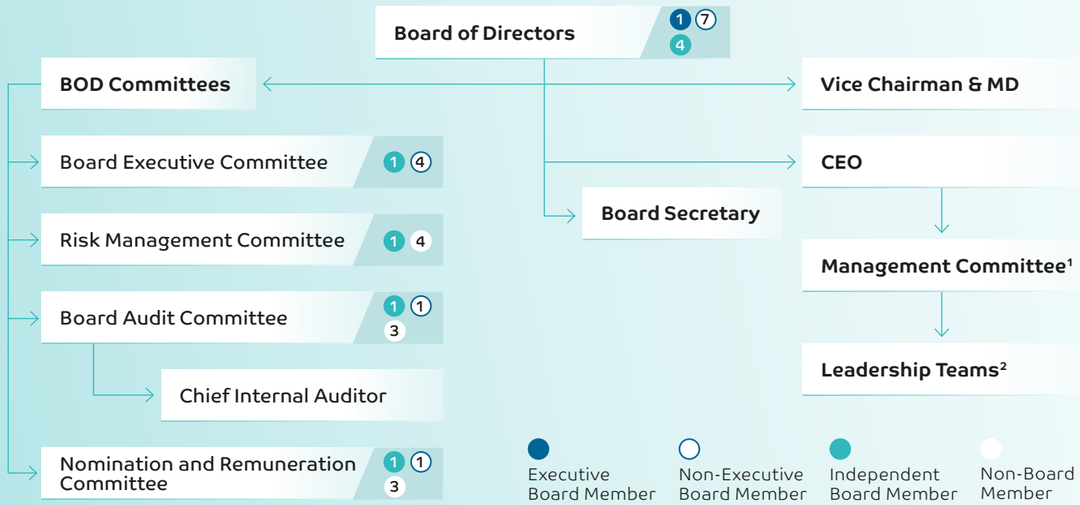
To ensure the effective, consistent, and continuous application of the governance standards set by the Code of CG, the Company has implemented several policies and manuals, including but not limited to:

- Code of Corporate Governance;
- Board and Board Committee's Charters;
- Policy and procedures for selection of Board Directors, Board committee members and the executive management;
- Remuneration Policy of the Board Directors, Board committees members and the executive management;
- Code of Business Conduct and Ethics Policy;
- Compliance Management Framework;
- Related Party Transaction and Conflict of Interest Policy regulating, amongst other things, conflict categories as it pertains to Directors, senior executives and employees;
- Documentation and Retention Policy;
- Third-Party Due Diligence and KYC Policy;
- Distribution of Dividends Policy;
- Whistle-blower Policy;
- Company Stakeholders Policy; and
- Disclosure and Transparency Policy and Procedures.

THE GOVERNANCE DYNAMICS AT ACWA POWER



ROBUST CORPORATE STRUCTURE WITH DEDICATED COMMITTEES



¹ Headed by the CEO and includes direct reports to CEO including C-level and Geo Heads.

² Leadership 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.

CORPORATE GOVERNANCE

Our corporate behaviour

In addition to adhering to and promoting good corporate governance, ACWA Power supports exemplary corporate behaviour by adopting a stringent compliance approach to ensure that we adopt the highest standards of ethics, conduct business with reputable third parties and comply with international best practice.

Our compliance approach

One of the most important factors for the success of any organisation is its compliance with laws, rules and regulations. Compliance protects the Company's reputation and credibility, serves shareholders' interests, ensures customer satisfaction and reduces litigation. Compliance is a comprehensive and multi-aspect responsibility involving all parties in a company; it starts with the Board of Directors and senior management and ends with all employees and contractors, each according to the authority and responsibilities entrusted to them.

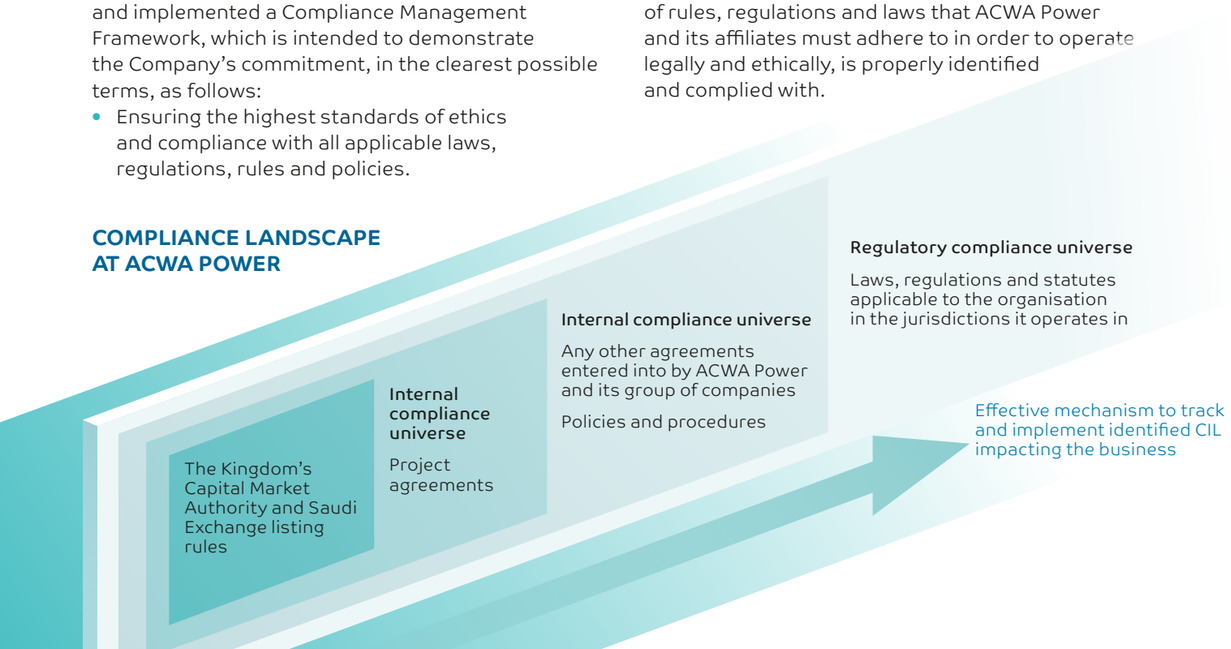
ACWA Power has accomplished high standards of ethics and integrity in all aspects of our business conduct. We are committed to complying with the applicable legislation and obligations in force in the countries where we operate. To facilitate this objective, the Company has developed and implemented a Compliance Management Framework, which is intended to demonstrate the Company's commitment, in the clearest possible terms, as follows:

- Ensuring the highest standards of ethics and compliance with all applicable laws, regulations, rules and policies.
- Detecting and swiftly correcting identified compliance gaps.
- Eliminating misconduct and other wrongdoing.

The Compliance Management Framework lays down the policy guidelines and the detailed compliance practices to be implemented.

ACWA Power operates across multiple jurisdictions and is required to comply with a complex compliance landscape, consisting of a plethora of obligations imposed by regulators, arising from agreements or from federal, local, or global regulations. Compliance obligations include one-time, event-based, ongoing, licenses, filings and statutory dues that need to be tracked and acted upon in a timely manner. This diverse landscape imposes a regular monitoring and screening to ensure that the set of rules, regulations and laws that ACWA Power and its affiliates must adhere to in order to operate legally and ethically, is properly identified and complied with.

COMPLIANCE LANDSCAPE AT ACWA POWER



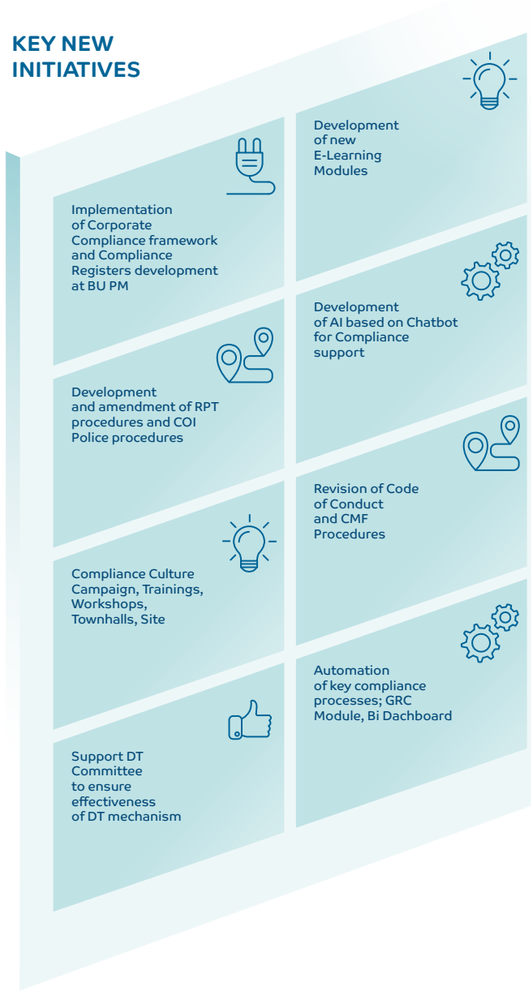
In 2023, the Compliance Department trained, informed, and advised employees across all business units on the applicable regulatory requirements, contractual obligations and internal Group-wide policies. In addition to whistleblowing and conflict of interest webinars (see below), the Compliance Department delivered six orientation sessions for almost 30 new joiners from different departments and levels.

The department also organised training for the Compliance Champions network. Compliance champions play a crucial role in promoting and maintaining ethical behaviour, regulatory adherence, and best practices within the workplace.

One of the solutions the Compliance function has implemented to help building and fostering a culture of compliance in ACWA Power is the Compliance Portal. It is a 'one-stop-shop' where the employees of ACWA Power can easily connect with the Compliance Department, directly access policies and procedures having compliance bearing or initiate key compliance processes. It allows employees to submit declarations of conflict of interest or request authorisation before offering/accepting gifts, entertainment and hospitality. As a further step, the portal will also allow employees to submit to Compliance requests for performing due diligence screening on high risk third parties. This additional enhancement is planned to be finalised in 2024.

With a view to take advantage of the new existing and available technologies, an AI-chatbot was launched to have in place a tool able to effectively support the compliance team in liaising with employees and addressing compliance-related queries. The project kicked-off in 2023, with extended capabilities to be implemented during 2024.

KEY NEW INITIATIVES



Our code of conduct

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.

The Company has implemented a Code of Conduct and Ethics Policy (the Code, which sets down key guidelines and compliance practices which all employees are expected to observe, wherever they are located or operate.

The Code is a forward-looking document and outlines the ethical responsibilities that will grow our organisation, reputation and business. It aims to provide guidance on general conduct in order to maintain harmonious working relations internally, with clients and other stakeholders, in line with the laws of the relevant jurisdiction and ACWA Power's values, ethics and corporate policies.

To help foster awareness of the Code, we have developed mandatory e-learning modules, which offer guidance in an interactive and engaging way to help employees gain a better understanding of the guidelines and practices set out in the Code and so adhere to the highest ethical standards. The training is ongoing and is mandatory for all employees.

Engaging with trusted partners

With business regulations worldwide becoming increasingly complex, it is essential for ACWA Power to entertain business exclusively with partners of good repute, to ensure that third-party risk can be mitigated.

In view of our global expansion, we have implemented a thorough Know Your Customer (KYC) process, so risk-based due diligence on third parties can be conducted before agreements are entered into. The process helps reduce potential risks such as fraud, corruption, bribery, money laundering and similar malpractices.

In 2023, the Compliance Department conducted a webinar on Third-Party Due Diligence for all ACWA Power group employees to build awareness on the Third-Party Due Diligence and Know Your Customer framework currently operational in the Company. It highlighted the purpose of the third-party due diligence and (KYC) process, third-party scope, exception of due diligence screening and due diligence risk assessment outcome. More than 240 employees attended the session.

In 2023, the Ethics Policy was revised and amended to reflect the major principles of the Company. The additions included provisions specifying applicability of the Code to the vendors, the definition of Primary Compliance Training courses to be completed by Employees within 2 months from joining, the Company's commitment to protecting the confidentiality and integrity of personal data and so on.

Anti-corruption

ACWA Power has zero-tolerance for any bribery and corruption activities and is committed to conducting its business ethically and in compliance with all applicable domestic and foreign anti-bribery and anti-corruption laws and regulations. To this end, the company's Management Committee approved the Anti-Bribery and Anti-Corruption Policy (ABC Policy) in 2021. This policy applies to Directors, officers, third parties such as consultants, agents, vendors, suppliers and independent contractors and all employees of ACWA Power, including its subsidiaries, business units and branches.

The ABC Policy is overseen by Senior Management, administered by an individual with sufficient authority, expertise and resources and endorsed by the Board of Directors. Senior Management has the oversight responsibility and allocates sufficient resources to achieve reasonably effective operations. Periodic updates and material issue reporting are made to the Executive Board and the Board of Directors.

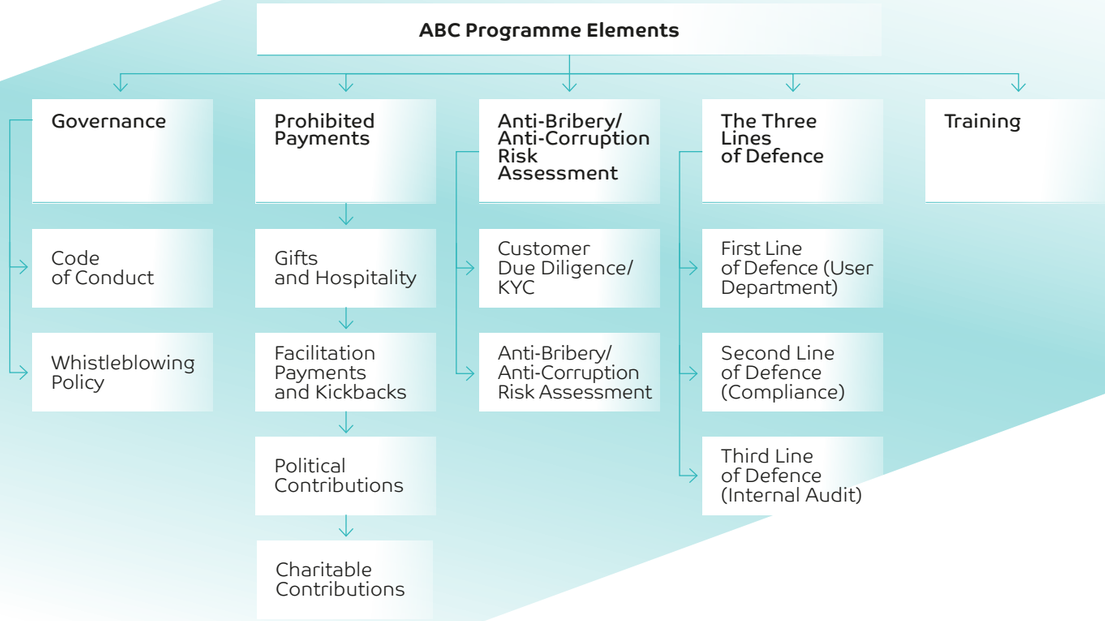
For all new customers, the Company performs Customer Due Diligence to ensure that they are properly risk-assessed. To further protect the Company, ACWA Power may conduct heightened due diligence in circumstances where there is a reason for it.

The Risk Management Department develops metrics designed to assess the effectiveness of the financial crime risk controls in place at ACWA Power and provides Senior Management and the Board with oversight as to the current position regarding risks and issues. The financial crime metrics are also reported to the relevant Executive and Board-level Committees in accordance with the Governance structure of the Company.

All the new Directors, officers, employees, consultants and contractors of ACWA Power at the time of their induction are provided with an overview of the Policy, educated on its importance and informed where the Policy is available for future reference. In addition, all Directors, officers and employees of ACWA Power, including its subsidiaries, business units and branches, receive annual refresher training on the Policy and are asked annually to formally accept that they will comply with this Policy.

All Directors, officers, employees and long-term consultants and contractors of ACWA Power provide annual certification of compliance to the Policy. As for short-term contractors and consultants (contracted for less than six months), suppliers, business partners and third parties, ACWA Power provides them with a copy of the Policy and communicates the zero-tolerance attitude and importance of their adherence to anti-bribery and anti-corruption laws and regulations.

ACWA POWER ABC PROGRAMME ELEMENTS



Our whistleblowing programme

ACWA Power is committed to conducting its business with the highest standards of ethics and integrity by treating employees and partners with utmost respect and professionalism, fostering a culture of compliance and accountability for own actions, and promoting an environment where employees, third parties and stakeholders are encouraged to raise their concerns confidently regarding any unethical behaviour or any wrongdoing in the Company.

A dedicated Compliance line provides a mechanism for the confidential and anonymous submission of concerns through an independent third-party, Ethics Point, which is accessible at any time.

The purpose of the whistle-blower procedure is to define the processes and actions that must be followed to blow the whistle and report identified concerns through dedicated channels.

The main objectives of this procedure are to:

- raise awareness on the whistle-blower programme in place at ACWA Power;
- explain the importance of reporting serious concerns;
- explain who is a whistle-blower and when to blow the whistle;
- identify the types of concerns to be reported;
- list the commitment expected from whistle-blowers;
- identify channels available to report concerns;
- provide an overview on the mechanism to investigate and remedy any wrongdoing; and
- set out the key performance indicators (KPI) of the whistle-blower programme.

This procedure should be read in conjunction with ACWA Power's whistle-blower policy and code of conduct and ethics policy. This whistle-blower procedure applies to all employees of ACWA Power, including business units and wholly-owned subsidiaries.

In 2023, the Compliance Department also started management of the whistle-blower programme, which provides employees with a channel for raising any ethical breach or potential violation of laws/policies. The revised Ethics policy stresses the Company's commitment to the highest standards of quality, honesty, openness, and accountability and the obligation to treat whistle-blowers that come forward with utmost confidentiality. In 2023, a new management committee was formed (Culture and Values Committee) chaired by the Managing Director of ACWA Power, whose role is to focus on the WB cases impacting culture and values of ACWA Power.

During the course of 2023 ACWA Power received notification of 54 whistleblow cases through various channels which were properly evaluated and investigated. Out of these 54 notifications, 12 major cases were escalated to the Disciplinary Committee for further review and necessary disciplinary actions. The WB cases assessed during the year gave rise to 72 action items, mainly relating to disciplinary actions and other process improvement actions. To support management, tracking and recording of these action items, Compliance developed a Power App-based system which effectively enhanced monitoring and closure of actions items.

In 2023, the Compliance Department launched motion graphic awareness videos for all employees regarding the whistleblowing, anti-bribery and anti-corruption, related party transactions, gift taking rules, avoiding conflict of interest, non-harassment and non-discrimination, and preventing market abuse.

A webinar on Whistleblowing framework was organised for all ACWA Power Group employees to build awareness on the whistleblowing framework currently operational in the Company. More than 500 employees attended the session, and their queries relating to confidentiality and retaliation were properly addressed. As additional initiative, Compliance rolled out a short video in two languages (English and Arabic) that helped creating further awareness on the whistleblowing framework. A survey, carried out soon after this training session, confirmed that around 90% of employees were aware of the process and channels for reporting whistleblow cases.

Grievance procedures

Grievance means any type of dissatisfaction or discontent arising out of factors related to an employee's job which he/she thinks is unfair. A grievance is a sign of an employee's discontentment with his/her job or relationship with his/her colleagues. Grievances generally arise out of the day-to-day working relations in an organisation. Any internal or external stakeholder (employees, contractors, vendors, etc.) is able to file a formal grievance, in confidence, via the Company website.

To ensure ease of reporting and proper management, the organisation has categorised grievances to ensure timely and relevant action. Any filings are then assessed by a committee (People Committee) comprising of individuals with appropriate experience and no prior involvement in the complaint. Once the investigation is completed and an outcome has been decided, a member of the People and Culture team will arrange a meeting with the complainant and the subject of the complaint to discuss the outcome and next course of action, if any. All actions taken as part of the process will be in line with the organisation's HR policy and local regulations.

Conflict of interest

The Compliance Department is responsible for managing the conflict-of-interest programme in place at ACWA Power in accordance with the provisions set out in the Conflict of Interest Policy and Procedure. In 2023, the ACWA Power Compliance Department has put in place a thorough process for identifying, disclosing and governing business dealings between the Company and its related parties thus ensuring correct implementation and compliance with the applicable regulations and the Company's Related Party Transactions and Conflict of Interest Policy (RPT&COI Policy). The final revision and approval from the General Assembly of the Company's RPT&COI Policy amendment is expected to occur in 2024.

In the year 2023, a total of 134 cases of conflict of interest were reported to the Compliance Department. The department performed a proper assessment on the received cases, including:

Evaluation of the nature of the conflict, specifically focusing on instances such as relative hiring.

1. Clarifications from the employees involved.
2. Examination of the cases of conflict of interest.
3. Determination of a recommended course of action.

In 2023, the Compliance Department organised a webinar on Conflict of Interest for all ACWA Power Group employees to build awareness on the conflict-of-interest framework currently operational in the Company. It highlighted conflict of interest definition, type of conflict of interest, avoiding conflict of interest, conflict of interest disclosure, manage/resolve conflict of interest and the impact of having a conflict of interest. More than 300 employees attended the session.

Our commitment to human rights

ACWA Power places great emphasis on treating employees and individuals in the communities in which we operate and throughout our supply chain with dignity and respect. Where we don't have managerial control, we expect and require compliance with this policy. We regularly review and update our policies and procedures proactively to identify, address and respond to unfavourable human rights issues with which we are possibly involved.

We are dedicated to complying with the pertinent laws and implement controls wherever we operate. Where national law and international human rights standards differ, we adopt the higher standard.

Among the broader human rights issues identified, we consider the following as crucial and non-negotiable:

- providing access to grievance mechanisms;
- supporting access to water and sanitation;
- any form of child labour, modern slavery, forced labour and human trafficking in any part of its business and supply chain;
- ensuring a decent living wage and income;
- ensuring safety and health; and
- empowering and supporting women.

Anti-discrimination and anti-harassment

ACWA Power has a Code of Conduct and Ethics Policy regarding discrimination and harassment:
The key principles of anti-discrimination and anti-harassment are:

- We strictly prohibit employees from making malicious accusations against any employee of the organisation.
- We require staff to behave respectfully with other team members, and not purposefully, falsely, or maliciously attempt to injure the reputation of another team member.
- We do not accept abusive conduct, including verbal abuse and physical conduct that another person would find threatening or humiliating.
- We encourage staff to speak up to report harassment without fear of retaliation.
- The Company's management is responsible for ensuring a culture of accepting grievances without prejudice and providing a safe and impartial procedure to complete the relevant investigation of each grievance.
- We have set up a Whistleblowing Procedure that any one of its employees can use to report a breach of the rules set out in the Code of Conduct and Ethics Policy.

Our disclosure and transparency approach

ACWA Power's commitment to transparency is long-standing and weaved into our fabric. Since our listing on the Kingdom's main stock exchange, Tadawul, in 2021, we must also comply with Capital Market Authority laws and regulations.

We have implemented a disclosure and transparency mechanism to identify, assess and, if needed, disclose to the public, any material development originating as part of our business that might affect the Company's financial position, its ESG rating or evaluation.

This is in compliance with the specific provisions set out in the Rules on the Offer of Securities and Continuing Obligation.

ACWA Power developed and rolled out a disclosure and transparency (DT) mechanism, inclusive of a DT Policy, a DT Procedure and a DT Committee. The DT Committee is a working committee whose mission is to provides a structured and systematic oversight on the organisation's wide implementation of the DT mechanism in pursuing the DT regulatory obligations. It is chaired by the Company's CFO and composed by representatives of key enabling functions such as Compliance, Legal, Finance, Investor Relations, Communication and Marketing and Business Development.

During the course of 2023 Compliance brought to the attention of the DT Committee for assessment a total of 293 events submitted through the DT portal, of which 42 were deemed material and announced on Tadawul.

→ For comprehensive information on the governance of ACWA Power see the Board report on page 146.

Energy transition takes ambition...

ACWA Power aims to be the best employer in the region

The 160 MW NOORo I CSP project is the first project of the 500+ MW NOOR Ouarzazate Solar Complex, located in Ouarzazate, Morocco.

THE BOARD OF DIRECTORS STRUCTURE AND RESPONSIBILITIES

The Board of Directors of ACWA Power Company (the 'Company' or 'ACWA Power') (the 'Board') is the ultimate responsible body within the Company that is elected by the Ordinary General Assembly, in accordance with applicable laws and regulation in the Kingdom of Saudi Arabia ('Saudi Arabia' or 'Kingdom'). Without prejudice to the Saudi Capital Markets Law, Companies Law, applicable regulations, the Company's By-laws and the internal governance of the Company, the Board assumes the responsibility of providing direction, guidance and leadership on strategy, operations, and business expansion in Saudi Arabia and internationally, while assessing opportunities, challenges, risks and its associated mitigative measures. Furthermore, the Board oversees the Company's internal controls, compliance framework and risk register, and operates according to its charter and the Company's Delegation of Authority Policy, which specifies its structure, authorities, and role, and responsibilities.

The Board is vested with full powers by the Shareholders to manage the business of the Company and supervise its affairs, as per the Company's Articles of Association, the Company's By-laws, and Board Charter. To optimise the management of the Company and upon its appointment on 05 January 2022, the Board restructured four functional Board committees (the 'Board committees'); nevertheless, the Board may at any time establish specialised committees, as may be needed, for the effective governance, oversight, and operations of the Company. The Company's Board committees include the Board Audit Committee ('BAC'), the Nomination and Remuneration Committee ('NRC'), the Board Executive Committee ('BEC'), and the Risk Management Committee ('RMC'). The respective Board committees have been established to assist the Board in fulfilling its fiduciary responsibilities by providing independent advice, guidance, and oversight. All Board committees have independent committee charters that stipulate their respective structure, authorities, role and responsibilities, within the context of their specific remits. The Board committees deliberate and oversee various relevant issues and the respective Chairperson presents quarterly reports to the Board for discussion, guidance and/or approvals, as applicable.

Procedure taken by the Board to inform its members, Non-Executive Directors in particular, of the shareholders' suggestions and remarks on the Company and its performance

As required by the Capital Market Authority's ('CMA') Corporate Governance Regulations ('CGR'), the Board of Directors and the respective Chairmen of the Board committees participates in the Company's General Assembly meetings, which serves as a platform for shareholders to provide their suggestions and remarks directly to the members of the Board of Directors.

The Board of Directors (the 'Board')

The current Board of Directors comprises twelve (12) esteemed and highly experienced individuals in the regional and international business community, of which four (4) Board members are independent; seven (7) Board members are non-executive including the Chairman of the Board; and one (1) executive Board member serving as Vice Chairman and Managing Director. The following table includes the names, titles, membership statuses and appointment dates of the members of the Board, including Mr Paddy Padmanathan, a Non-Executive Director who voluntarily resigned on 09 October 2023.

Board members	Title	Status	Appointment Date	Resignation Date
Mr Mohammad Abunayyan	Chairman	Non-executive	05 January 2022	–
Mr Raad Al Saady	Vice Chairman	Executive	14 February 2023	–
Dr Ibrahim Al-Rajhi	Director	Non-Executive	05 January 2022	–
H.E. Mr Ahmed Alhakbani	Director	Independent	05 January 2022	–
Mr Fahad Alsaif	Director	Non-Executive	05 January 2022	–
Mr Omar Al-Madhi	Director	Non-Executive	05 January 2022	–
Mr Abdullah AlRowais	Director	Non-Executive	05 January 2022	–
Mr Omar Al-Midani	Director	Non-Executive	05 January 2022	–
Mr Esmail Alsallom	Director	Independent	05 January 2022	–
Dr Madelyn Antoncic	Director	Independent	05 January 2022	–
Mr Li Ping	Director	Independent	05 January 2022	–
Mr Paddy Padmanathan	Director	Non-Executive	05 January 2022	09 October 2023
Mr Abdula AlAbduljabbar	Director	Non-Executive	15 October 2023	–

The Board members contribute a wide range of professional backgrounds and experience, encompassing various areas of expertise and insightful leadership. This diversity fosters thorough decision-making and strategic guidance that is deemed to be crucial for the Group's success. The average tenure as of 31 December 2023 was 21 months.

Board Diversity

Overview of the Board[1]



Evaluation of the Board and the Board committees

In line with the guiding article (39/E) of the CGR issued by the CMA and best practice, the Board obtained an independent assessment from an external competent third-party, to assess the Board's performance and to appraise five key dimensions pertaining to the Board of Directors': 1 – Purpose 2 – Composition 3 – Dynamics 4 – Mechanics and 5 – Development. A comparison was conducted with key peer group organisations and best-in-class practice to form the basis of an action plan, which was implemented in 2H 2023 and is continuing during Q1 2024.

Board capabilities

As part of the evaluation, an assessment was made on the capabilities of the Board, the results of which are indicated below:

Capabilities		Minimum Required	Maximum Required
General Management	CEO experience/Senior management		
	Corporate strategy		
	Financial and financing expertise		
	Risk management		
	Human resources		
Industry Specific	Conventional Energy (production and distribution)		
	Renewable Energy (production and distribution)		
	Water treatment (Desalination)		
	B2B networking and sales		
	B2B and Government relations and politics		
	Infrastructure development		
	Business valuation, investments, and portfolio management		
Others	International/Multi-national business experience		
	Environment, social and governance		
	Digital and technology		

[1] All Board statistics are as at 13 March 2023.

Biographies of Directors



Mr Mohammad Abunayyan

Chairman (Non-executive)

Profile

Mr Mohammad Abunayyan, a Saudi national, the Founder and Chairman of the Board of Directors of ACWA power, a publicly listed company in the Saudi Stock Exchange (Tadawul), that is driving the energy transition through transformative solutions in clean energy, water desalination, and green hydrogen.

An accomplished business leader with over four decades of experience in varied sectors, Mr Abunayyan is widely recognised as a key authority in the water and energy sectors globally.

Under his strategic leadership, ACWA Power has emerged as an agile, high growth, power and water champion that is enabling Saudi Vision 2030 goals and delivering power and water, reliably and responsibly, at low cost, to communities across the world.

Founded in 2004, ACWA Power has expanded rapidly and is currently operating in 12 countries across the Middle East, Africa, Central Asia and Southeast Asia.

Mr Abunayyan has embedded cost leadership, technological expertise, and operational excellence within the Company's operating model and established strong public-private sector partnerships with a clear purpose to deliver the highest level of sustainable value to all stakeholders, while also focusing on driving community impact. He is a strong advocate and enabler of local talent and content in all the markets that ACWA power operates in.

Mr Abunayyan also serves as Chairman of Vision International Investment Company (Vision Invest), Dussur and is on the executive board of numerous reputed organisations in the Kingdom and the region.

Academic and Professional Qualification

- High school diploma, Alyamamah High School, Saudi Arabia, 1979G

Current Positions

- Non-Executive Chairman, ACWA Power
- Non-Executive Member, Advisory Committee to Zakat, Tax and Customs Authority
- Non-Executive Director, General Authority for Foreign Trade
- Non-Executive Chairman, Vision Company for Industry
- Non-Executive Vice-Chairman, SAL (Saudi Arabian Logistics Company)
- Non-Executive Chairman, Saudi-Uzbek Business Council
- Non-Executive Chairman, Tarabot Air Cargo Services Company
- Non-Executive Chairman, Data Volt Investment Company LLC
- Non-Executive Chairman, Data Volt Information Technology
- Non-Executive Director, Family Gold Company
- Non-Executive Director, Mohammed Abunayyan LLC
- Non-Executive Director, Shuaa Energy 3 PSC
- Non-Executive Chairman, Saudi side Chairman of the Advisory Committee from Private Sector, the Saudi – Emirati Coordination Council
- Non-Executive Director, Jizan Integrated Gas and power Transformation Company
- Non-Executive Director, Higher Education Fund
- Non-Executive Director, Noor Energy 1 PSC
- Non-Executive Chairman, Saudi Arabian Industrial Investments Company (DUSSUR)
- Non-Executive Director, Hassyan Energy Phase 1 PSC
- Non-Executive Chairman, Jazan Gas Projects Company
- Non-Executive Director, Shuaa Energy 1 PSC
- Non-Executive Chairman, Arabian Qudra Energy Limited Company
- Non-Executive Chairman, Air Products Qudra For Energy
- Non-Executive Director, Saudi Arabian Industrial Investments Company (DUSSUR)
- Non-Executive Chairman, Saudi Airlines Cargo Company
- Non-Executive Director, Lafana Investment Company
- Non-Executive Director, Rafal Real Estate Development Company
- Non-Executive Vice Chairman, Tarabot Development and Investment Company
- Non-Executive Chairman, Saudi Tabreed Company
- Non-Executive Chairman, Vision International Investment Company
- Non-Executive Director, Neom Green Hydrogen Company Ltd
- Non-Executive Director, Hassyan Water Company A PSC
- Non-Executive Member, Advisory Council for Saudi Indian Relations
- Non-Executive Director, Ministry of Finance Advisory Council

Past Professional Experience

- 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, Yanbu Project Company for Electric power
- Non-Executive founding Board member, NEOM Industrial City
- Non-Executive Director, Industrial Board
- Non-Executive Vice Chairman, Etihad Energy International Company
- Non-Executive Vice Chairman, Global Ports and Rails
- Non-Executive Chairman, Qurayyah project limited Company
- Non-Executive Director, Welspun Middle East Pipes Company
- Non-Executive Chairman, Qurayyah Investments Company
- Non-Executive Chairman, Hajr for Electricity Production Company
- Non-Executive Director, ACWA Power Khalladi
- Non-Executive Director, Pohang Iron and Steel Company
- Non-Executive Chairman, Al Mourjan for Electricity Production
- Non-Executive Chairman, Rabigh Investments Company
- Non-Executive Chairman; ACWA GAttendedç
- Non-Executive Chairman; ACWA Power Enerji Anonim Sirketi
- Non-Executive Chairman; KSB Arabia
- Non-Executive Director, Aziz European Pipe Factory for Trading and Contracting
- Non-Executive Director, Saudi Agricultural Development Co. (INMA)
- Non-Executive Chairman, Abunayyan Group
- Non-Executive Director, Saudi Tumpane Company
- Non-Executive Chairman, ACWA Power SolAfrica Bokpoort
- Non-Executive Director, Sun and Life Company
- Non-Executive Director, Desert Aluminum Company Ltd
- Non-Executive Chairman, Central Electricity Generating Company
- Non-Executive Chairman, ENARA Energy Investments PSC
- Non-Executive Chairman, Floating Ships for Water Projects Company
- Non-Executive Chairman, Rabigh Expansion Company
- Non-Executive Chairman, Multiple Shares Company
- Non-Executive Chairman, Al Raeda Energy
- Non-Executive Chairman, Higher Institute for Water and power Technologies
- Non-Executive Chairman, ACWA Power Barka SAOG (Barka 1)
- Non-Executive Chairman, Projects Acquisition Company
- Non-Executive Director, Rabigh Operations and Maintenance Company
- Non-Executive Director, Industrial Cities Development and Operating Company, Trading and Contracting
- Non-Executive Chairman, Kahromaa Limited
- Non-Executive Vice Chairman, First National Operation and Maintenance Company
- Non-Executive Director, Jubail Water and power Company
- Non-Executive Chairman, SGA Marafiq Holdings Company
- Non-Executive Chairman, Shuqaiq Arabian Company for Water and Electricity
- Non-Executive Chairman, Saudi Malaysia Water & Electricity Company
- Non-Executive Chairman, Shuaibah National Company for Water and power
- Non-Executive Chairman, Multiforms LLC
- Non-Executive Chairman, International Barges Co. for Water Desalination
- Non-Executive Chairman, Alimtiaz Operation and Maintenance Company
- Non-Executive Director, Altoukhi Company for Industry, Trading and Contracting
- Non-Executive Chairman, Beatona Company
- Non-Executive Director, Saudi Research and Marketing Group
- Non-Executive Chairman, Shuqaiq International Water & Electricity Company
- Non-Executive Director, Shuqaiq Water & Electricity Company
- Non-Executive Director, Tanmiah Transport Company
- 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, Shuaibah Expansion Holding Company
- Non-Executive Director, Shuaibah Expansion Project Company
- Non-Executive Director, Rabigh Arabian for Water & Electricity Company
- Non-Executive Chairman, Shuaibah National Company for Water and power
- 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)



Mr Raad Al Saady

Director (Executive)

Profile

Mr Raad Al Saady is the Vice Chairman and Managing Director of ACWA power. In his current role he oversees growth and business expansion along with providing guidance on strategy, human capital, stakeholder management and other strategic drivers.

Previously, Raad was part of the Abdul Latif Jameel Company (ALJ), the Saudi family-owned conglomerate, where he held several key leadership roles across ALJ's business sectors including his tenure as Vice President of Mobility.

A strategic management veteran, Raad has over 20 years of experience in the financial services and automotives industry, including a stint in the technology venture capital sector in Silicon Valley.

An active Board and Committee member, Raad has served governance level positions across diverse organisations in Aviation, retail, Trade, and financial services, including Saudi Arabian Airlines, Morgan Stanley, Saudi General Authority of Foreign Trade, and numerous other reputable NGOs/firms.

Academic and Professional Qualifications

- Bachelor of Science degree in business management from Menlo College

Current Positions

- Member of the Board and Chairman of Audit, Risk and Compliance Committee Saudi Arabian Airlines (Saudia)
- Member of the Board and Chairman of ExCom and Member of NRC, General Authority of Foreign Trade (GAFT)
- Member of the Board and Chairman of NRC, The National Automotive and Mobility Investment Company – NAMIC
- Member of the Board and Chairman of NRC, Flyadeal

Past Professional Experience

- Research Assistant, American Pacific Venture Capital from 1999 to 2000
- Associate Partner, American Pacific Venture Capital from 2000 to 2001
- Finance Manager, Abdul Latif Jameel from 2002 to 2003
- Insurance General Manager, Head of Hemaya Insurance Company (Fully owned by ALJ Co. Ltd. from 2003 to 2004
- Senior General Manager, Lexus Jeddah from 2004 to 2007
- Director of Operations, Lexus from 2007 to 2008
- Acting Managing Director, Lexus from 2008 to 2010
- Managing Director from 2010 to 2012
- Senior Managing Director from 2013 to 2014
- Senior Managing Director, Abdul Latif Jameel International from 2014 to 2020
- Vice President, Abdul Latif Jameel Co. from 2020 to 2022



Dr Ibrahim Al-Rajhi

Director (Non-Executive)

Profile

Dr Ibrahim Al Rajhi is a member of the Board of Directors at ACWA Power. In a career spanning nearly 30 years across diverse sectors, Dr Al Rajhi has demonstrated adaptability, dynamism and leadership. A highly educated business executive, Dr Al Rajhi has worked and steered organisations in industries such as food and beverage, travel and tourism, logistics, real estate, construction and education.

He is currently an active Board member in several small and medium enterprises and non-profit organisations in Saudi Arabia.

Dr Al Rajhi holds a Bachelor's degree in systems engineering from King Fahd University of Petroleum and Minerals; a Master of Science in management from Hult International Business School and a Doctorate in Human Resources Management from London Metropolitan University.

Academic and Professional Qualifications

- Bachelor's degree in systems engineering from King Fahd University of Petroleum and Minerals, 1994G
- Master of Science in management from Hult International Business School, 1996G
- Doctorate in Human Resources Management from London Metropolitan University, 2008G

Current Positions

- Member of the Board, National Center for Family Business located in Riyadh, Since 2023.
- Chairman of the Board of Trustees of Sulaiman Abdulaziz Al Rajhi Endowment, Located in Riyadh, since 2023.
- Member of the Board, ACWA POWER Company located in Riyadh, since 2022, the company operating in Water & Energy field.
- Chairman of the Board, Modern Mailing Company located Jeddah, since 2021, the company operating in the mills production field.
- Member of the Board, Family Business Council-Gulf Located in Dubai, since 2018 Located in Dubai, non-profit organisation.
- Vice Chairman of the Board of Directors of Hessah Ibrahim Al Qubaisi Academic Excellence Program, since 2018.
- Member of Advisory Board, The College of Business, Al Faisal University located in Riyadh, since 2017.
- Member of Nama Al Rajhi Humanity Establishment located in Riyad, since 2016, the establishment works in the non-profit charitable field.
- Chairman of the Board, Tibah Airports Development Co, located in Madinah, since 2015, the company operating in the airports development field.
- Member of the Board of Trustees of Hessah Ibrahim Al Qubaisi Endowment, located in Riyadh, since 2015, non-profit foundation.
- Chairman of the Board, Tibah Airports Operation Company, located in Madinah, since 2012, the company operating in the airports operation field, since 2012.

Past Professional Experience

- Chairman of the Board, Arabian Cement Company from 2016 to 2020
- Member of the Board, Arabian Cement from 1999 to 2016
- Member of the Board, Al Rajhi Holding Group from 2009 to 2021
- Board of Directors, Sulaiman Al Rajhi Holding Company, from 2012 to 2018
- Member of the Board, AL-Watania Poultry from 2011 to 2017
- Member of the Directors, Sulaiman Al Rajhi Real Estate Company from 2012 to 2017
- Member of the Executive Committee in Sulaiman Al Rajhi Holding Company, from 2011 to 2018
- Member of the Board, Al Ajyal Holding Co, from 2014 to 2017
- Member of the Board, Al Arrab Contracting Co, from 2012 to 2017
- Chairman of the Board, Mada Infrastructure Holding Company, from 2012 to 2016
- Chairman of the Board, General Enterprise and Trading Company (GETCO) from 2008 to 2017
- Member of the Board, ACWA Power, from 2018 to 2020
- Project General Manager, Al-Watania Poultry from 1999 to 2008
- Deputy General Manager, Al-Watania Poultry from 1996 to 1999
- General Manager, Fursan Travel and Tourism, from 1994 to1995



H.E. Mr Ahmed Alhakbani

Director (Independent)

Profile

Mr Alhakbani has over 23 years of experience in management.

Possessing sector agnostic skills, he has worked in, and provided board-level steering advice to companies operating in information technology, food and beverage, energy, transport and logistics, aviation, and trade.

He is currently Chief Executive Officer of Al hulul Al Mobassatah Financial Company (SiFi).

Prior to this role, Mr Alhakbani served as the Governor and Board member of the Saudi Customs Authority.

From 2016–2017, he was the deputy minister for Foreign Trade in Saudi Arabia's Ministry of Commerce and Investment.

A seasoned board director for companies and governmental entities, ranging from GASCO, Saudi Airlines to the Saudi Food and Drg Authority and Communication, Space and Technology Commission amongst others. Mr Alhakbani started his career in the private sector, first at Microsoft, and then at Cisco Systems.

Academic and Professional Qualifications

- Bachelor of Science degree in Computer Information Systems from King Saud University, 2000G
- Masters in Business Administration from INSEAD, 2009G

Current Positions

- Member of Board of Directors of Nuclear and Radiological Regulatory Commission
- Member of Board of Directors of Communication, Space and Technology Commission
- Member of Board of Directors of Saudi Arabian Mining Company 'Maaden'
- Member of the Board of Trustees of Sulaiman AlRajhi Endowment
- Member of the Board of Trustees of The National Museum
- Member of GCC Supreme Council Consultative Authority and Head of the Saudi Delegation
- Member of Board of Directors, Chairman of the NRC, and member of the Executive Committee of Saudi Arabian Airlines
- Vice Chairman of the Board of Directors of Saudi Azm for Communications and Information Technology
- Vice Chairman of the Board of Directors of Special Integrated Logistics Zone
- Member of Board of Directors of Obeikan Glass Company
- Chairman of Board of Directors of Wajbat Osraty (Siwar)

Past Professional Experience

- Chairman of the Board of Directors at Uptown Jeddah Company.
- Member of Board of Directors, Chairman of the NRC, and member of the Executive Committee at Local Content and Government Procurement Authority.
- Governor of the General Authority of Customs, member of Board of Directors, Chairman of the Privatisation Committee and Chairman of the Engineering Committee.
- Chairman of the Board of Directors, Chairman of the NRC, and Chairman of the Executive Committee at King Fahd Causeway Authority.
- Chairman of the Board of Directors, and Chairman of the Executive Committee at Tabadul.
- Member of the Board of Directors, and Chairman of the NRC at Saudi Airlines.
- Member of the Board of Directors, and Chairman of the NRC at Flyadeal.
- Member of the Board of Directors, and member of the Executive Committee at Saudi Food Drug Authority.
- Member of the Board of Directors, and member of the NRC at Saudi Ports Authority.
- Member of the Board of Directors, and member of the NRC at National Gas & Industrialisation Company.
- Member of the Board of Directors at Natural Gas Distribution Company.
- Deputy Minister and Director General of International Commercial Offices at Ministry of Commerce & Investment.
- Secretary General at Saudi Exports
- Transformation Director at Ministry of Foreign Affairs.
- Advisor to the Deputy Minister of planning and IT at Ministry of Higher Education.
- Business Development Manager at Cisco Systems.
- Project Manager at Saudi National E-Government Program.
- Technical Account Manager at Microsoft Corporation.



Mr Fahad AlSaif

Director (Non-Executive)

Profile

Mr AlSaif is a Senior Managing Director and The Head of Global Capital Finance Division at The Public Investment Fund (PIF).

He holds several Board memberships in national and international companies.

Most notably, he is the Chairman of The Board of Directors at Aircraft Leasing Company (AviLease), Board Chairman of King Abdullah Economic City (EEC), and Board Vice Chairman at Saudi Real Estate and Refinance Company (SRC) and Bahri.

Mr AlSaif is also a member of PIF's Management Committee, Credit Committee, and Management Liquidity Committee.

He is also an active member of several committees related to Vision 2030, such as the Financial Sector Development Program (FSDP) and the Fiscal Sustainability Program.

AlSaif started his career in the private sector and served various senior positions at Saudi British Bank "SABB" (currently Saudi Awwal Bank "SAB") and HSBC Saudi Arabia for well over a decade.

Following his private sector stints, he assumed a public sector role within Saudi Arabia's Ministry of Finance, where he served as Senior Advisor to H.E., The Minister of Finance and went on to establish and head the Ministry's Debt Management Office (DMO), later renamed as the National Debt Management Centre (NDMC), where he served as the Chief Executive Officer and Board member until his move to PIF.

His aggregate professional experience spans nearly 26 years.

Academic and Professional Qualification

- Mr Alsaif holds a Bachelor degree in Management Information Systems from King Fahd University of Petroleum and Minerals, 1998G.

Current Positions

- Senior Managing Director and Head of the Global Capital Finance Division – PIF
- Management Committee Member- PIF
- Management Liquidity CommitteeMember-PIF
- Credit Committee Chairman -PIF
- Investment Committee Member, Events Investment Fund
- Funding Committee member, Saudi Global Enterprises Office (SGE)
- Financial Sector Development Program member
- Fiscal Sustainability Program Member
- Board Chairman, Aircraft Leasing Company (AviLease)
- Executive Committee Chairman, Aircraft Leasing Company (AviLease)
- Board Chairman, Emaar The Economic City (EEC)
- Executive Committee Chairman, Emaar The Economic City (EEC)
- Board Member, King Salman International Airport Development Company (KSIADC)
- Audit and Risk Committee Chairman, King Salman International Airport Development Company (KSIADC)
- Board Vice-Chairman, Bahri Company
- Executive Committee member, Bahri Company
- Board Vice-Chairman, The Saudi Real Estate Refinance Company (SRC)
- Executive Committee member, The Saudi Real Estate Refinance Company (SRC)
- Nomination and Remuneration Committee member, The Saudi Real Estate Refinance Company (SRC)
- Board member, Voluntary Carbon Market Company
- Board member, Gulf International Bank.
- Executive Committee member, Gulf International Bank
- Audit and Risk Committee, Gulf International Bank
- Board member, ACWA Power
- Executive Committee member, ACWA Power
- Invesment and Funding Committee Member, NEOM

Past Professional Experience

- Advisor to His Excellency the Minister of Finance
- CEO and Board Member National Debt Management Center
- Deputy Managing Director – SABB
- General Manager, Global Banking Services and Markets – SABB
- General Manager and Head of Corporate Finance and Capital Markets – HSBC Saudi Arabia
- Head of Risk Advisory, Treasury Department – SABB
- Head of Investment and Trade Department, Treasury Department – SABB



Mr Omar Al-Madhi

Director (Non-Executive)

Profile

Mr Al-Madhi is the Co-head of MENA Direct Investments at the Public Investment Fund (PIF). Recognised as a leading corporate executive, Mr Al-Madhi has over two decades of experience driving strategic growth within businesses in the Kingdom.

Prior to joining PIF, he held the position of Senior Managing Director and Member of the Board at Abdul Latif Jameel (ALJ) Investments. Preceding his role at ALJ, Mr Al-Madhi was an advisor to the Minister of Labor in Saudi Arabia, served as the CEO of Volkswagen Group Saudi Arabia, and held a number of positions at SAGIA, McKinsey and Company and Saudi Aramco.

He was named a Young Global Leader by the World Economic Forum, joining the class of 2017. In naming Mr Al-Madhi, the Forum characterised him as a recognised corporate executive who has emerged a champion of job creation, employment and infrastructure in Saudi Arabia'.

Academic and Professional Qualification

- Executive Education (Global Leadership and Public Policy for the 21st Century), Harvard Kennedy School
- Master of Business Administration (MBA), MIT Sloan School of Management
- BSE In Chemical Engineering, University of Pennsylvania

Current Positions

- Co-Head of Direct Investments, MENA Investments Division Public Investment Fund (PIF)
- Chairman of the Board, National Automotive and Mobility Investment Company (Tasaru)
- Vice Chairman of the Board and Chairman of the Board Remuneration and Nomination Committee, Jada Fund of Funds
- Vice Chairman of the Board and Chairman of the Board Executive Committee, Regional Voluntary Carbon Market Company
- Board member and Chairman of the Board Executive Committee, Saudi Arabian Military Industries Company (SAMI)
- Board and Board Executive Committee Member, ElSeif Engineering Contracting Company
- Board and Board Nominations and Remuneration Committee Member, Riyad Bank
- Board member and Board Investment Committee Chairman, Saudi Arabian Industrial Investments Company (Dussur)
- Chairman of the Board, Iliad Partners
- Chairman of the Board, Awad Capital

Past Professional Experience

- Chairman of the Board and Board Executive Committee, Saudi Fisheries Company
- Board member, National Agricultural Development Company (NADEC)
- Board member, Shuqaiq Three Company for Water LLC
- Investment Committee Member, Abdul Latif Jameel Land
- Advisory Board member, Four Principles
- Board member, Abdul Latif Jameel Logistics
- Board member, Saudi Sports for All Federation
- Board member, Abdul Latif Jameel Real Estate Finance Company
- Board and Executive Committee Member, Job Creation and Employment Commission
- Board member, Endeavor Saudi Arabia
- Senior Managing Director and 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 and Company
- Process Engineer, Saudi Aramco Shell Refinery Company (SASREF)
- Research Engineer, Saudi Aramco



Mr Omar Al-Midani

Director (Non-Exexcutive)

Profile

Mr Al-Midani is the President and Chief Executive Officer of Vision International Investment Company (Vision Invest), a leading Saudi Development and Investment Holding Company with active investments in the power and Water, Industrial Gases, District Cooling, Wastewater Treatment, Logistics and Environmental Solutions Sectors. Mr Al-Midani has served in multiple roles within Vision Invest over the past 11 years. Mr Al-Midani is a member of the Young Presidents Organisation and holds a Bachelor of Commerce Degree (Finance) with Honours from the John Molson School of Business in Montreal, Canada. Mr Al-Midani sits on the Board of Directors of several Saudi and International companies.

Academic and Professional Qualification

- Bachelor of Commerce in Finance with honours degree, John Molson School of Business, Montreal, Canada, 2002G

Current 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 Director, Arabian Qudra Energy Ltd.
- Non-Executive Director, Chairman of Management Development and Compensation Committee, Member of Investment Committee, and Member of Corporate Governance and Nomination Committee, Air Products Qudra for Energy
- Non-Executive Director, Blue Hydrogen Industrial Gases Company
- Non-Executive Director, Jazan Gas Projects Company
- Non-Executive Chairman, Ajyad Knowledge Company for Education and Training
- Non-Executive Director, Beatona Company
- Non-Executive Director, Saudi Integrated Waste Management Company
- Non-Executive Director, Sahara Aluminium Company
- Non-Executive Director, Wave One Project Company Limited
- Non-Executive Director, Buildings Efficiency Company
- Non-Executive Chairman, Yanbu Project Company for Electric power Limited
- Non-Executive Director, Vision Invest Limited (ADGM)
- Non-Executive Director, Rafal Real Estate Development Company
- Non-Executive Director, Magma Holdings Limited (ADGM);
- Non-Executive Director, VI Gas Pipelines Holding I Limited (ADGM)
- Non-Executive Director, VI Gas Pipelines Holding II Limited (ADGM)
- Non-Executive Director, Vision Invest Pipelines Holding I Limited (ADGM)
- Non-Executive Director, Vision Invest Pipelines Holding II Limited (ADGM)
- Non-Executive Director, Vision Invest LNG Holding LTD
- Non-Executive Director, Vision Invest LNG OCEANIA Holding LTD
- Non-Executive Director, Vision Invest LNG International Holding LTD
- Non-Executive Director, Vision Invest LNG International Holding LTD
- Non-Executive Director, Data Volt Investment LLC
- Non-Executive Director, Data Volt Information Technology

Past Professional Experience

- Non- Executive Director, Jubail Waves for Gases Company
- Non-Executive Chairman, East Pipes Integrated Company for Industry, from 2020G to 2022G
- Non-Executive Chairman, Integrated Tower Company for Telecommunications, from 2020G to 2022G
- Non-Executive Director, Etihad Energy International Company, from 2019G to 2021G
- Chairman, Multiforms LLC (UAE), from 2019G to 2020G
- Non-Executive Chairman, Jeddah Water Services Company, 2018G to 2022G
- Non-Executive Chairman, Industrial Cities Development and Operation Company, from April 2019G to October 2020G
- Non-Executive Chairman, Riyadh Water Production Company, from July 2018G to October 2020G
- Non-Executive Chairman, Jazzirah Environment Company, from 2018G to October 2020G
- Non-Executive Director, power Acquisition Company, from 2014G to 2019G
- Non-Executive Director, Health Solutions Medial Company, from 2018G to 2019G
- Non-Executive Director, Arabian Japanese Membrane Company, from 2017G to 2018G
- Chief Executive Officer, Beatona Company, from 2011G to 2017G



Mr Abdullah Al-Rowais

Director (Non-Exexcutive)

Profile

Mr Al-Rowais holds more than 27 years of experience in Corporate Governance and Internal Control, Accounting, IT, ERM and Internal Audit. Mr Al-Rowais holds a Bachelor degree of Accounting and Master of Science in Computer and Information Systems in the USA and has successfully completed leadership and executive courses from internationally-renowned schools such as IMD, INSEAD and London Business School. He is one of the founding members of the Institute of Internal Auditors of the Kingdom.

Academic and Professional Qualifications

- Master of Science in Computer and Information, University of Detroit Mercy, Michigan, USA. 1997
- Advance Diploma in Accounting, The Economics Institute, University of Colorado, Boulder, USA,1996
- Bachelors in accounting, King Saud University, Riyadh, SA, 1992

Current Positions

- Board of Directors, Saudi National Bank (SNB)
- Board of Directors, Saudi Tourism Authority
- Board of Directors, Bawan Company
- Audit Committee Chairman, Noon Company
- Audit Committee Chairman, Boutique Collection Company
- Audit Committee Member, Ceer Automotive Company
- Audit Committee Member, Jeddah Central Development Company
- Audit Committee Member, Saudi Information Technology Company
- Chief Audit Executive of Internal Audit, Etihad Etisalat Company (Mobily)

Past Professional Experience

- Board of Director, Samba Financial Group
- Audit Committee Member, Alinma Tokio Marine
- Audit Committee Member, Saudi Arabian General Investment Authority
- Audit Committee Member, Deutsche Gulf Finance
- Founding member, Board of Director, and Chairman of Executive Committee, Institute of Internal Auditors (IIA KSA)
- Board of Director, Manafea Holding
- Audit Committee Member, Roshn Company
- Associate General Auditor, Saudi Aramco
- IT Audit Manager, Saudi Aramco
- Internal Auditor, Saudi Central Bank



Mr Esmail Alsallom

Director (Independent)

Profile

Mr Alsallom is the Chief Executive Officer of the Kingdom of Saud Arabia's National Infrastructure Fund (under establishment). Formerly he served as the Group Chief Executive Officer of Al-Rajhi Holding Group (RHG), a leading development and investment company headquartered in the Kingdom with local and international operations and investments. Mr Alsallom has held chairmanship and Board member roles in numerous prestigious organisations within the Kingdom, as well as regionally and internationally. Additionally, he has executed executive roles in leading entities, including the position of Head of Corporate Finance in the Structured Finance Department at Banque Saudi Fransi. He holds a Bachelor's degree in Industrial Engineering from King Saud University and has completed a Leadership Development Program at Harvard University, USA.

Academic and Professional Qualifications

- Leadership development certificate, Harvard University, USA, from 2017G to 2019G
- Bachelor of Science in Industrial Engineering, King Saud University, the Kingdom, 2005G

Current Positions

- CEO, National Infrastructure Fund
- Vice Chairman, AlBawani Holding Company
- Board member, National Housing Company

Past Professional Experience

- Chief Executive Officer of AlRajhi Holding Group
- Chairman, Electroputere SA
- Director, Havas Ground Holding Co.
- Director, Taibah Airports Development Company
- Director, BTA Food and Services Company
- Director, Saudi ATU Trading Limited Co
- 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



Dr Madelyn Antoncic

Director (Independent)

Profile

Dr Antoncic is a member of the Board of Directors at ACWA Power.

Dr Antoncic is a highly educated leader with nearly four decades of experience in academia, banking and finance, intergovernmental organisations, and non-profits.

A PhD Economist and former World Bank Vice President and Treasurer, Dr Antoncic is currently Senior Fellow at New York University, Development Research Institute. At the World Bank, from 2011 to 2015, Dr Antoncic was responsible for overseeing every aspect of managing the WB's and other official-sector institutions assets, as well as the Bank's capital; annual funding programme; collateral and cash management; daily cash payments and disbursements and the Pension for the WB Group. In addition to her significant financial responsibilities, she was responsible for maintaining the World Banks' AAA credit rating and led capacity building and technical assistance programmes that focused on asset, debt, and risk management including implementing innovative financial structures to helped countries mitigate their financial risks due to climate-related catastrophic risks. She is a former Economist at the Federal Reserve Bank of New York; was Senior Advisor to UNCTAD on SDG Reporting; was CEO of SASB a non-profit private-sector sustainability standards setter, and for a not-for-profit Big Data and AI institute. She has held senior positions at Goldman, Barclays, Lehman, and PGI. Her experience spans global markets across numerous asset classes in senior market and risk roles, and she is renowned for her leadership in financial innovation and risk management. Dr Antoncic is a Member of the UK 's FCDO Research Advisory Panel, and a Member, Editorial boards of the Journal of Risk Management in Financial Institutions and the Journal of A.I., Robotics and Workplace Automation.

Dr Antoncic holds a bachelor's degree from Southampton College, and a Master of Philosophy and a Doctor of Philosophy both in economics, with a minor in finance from New York University.

Academic and Professional Qualifications

- New York University, Stern School, PhD, Economics with a minor in Finance 1983
- New York University, Stern School, Master of Philosophy 1981
- Southampton College, B.A., Summa cum Laude 1976

Current Positions

- Board of Directors SandP Global Ratings
- Board of Overseers of the Weill Cornell Medical (WCM) and Graduate School of Medical Sciences of Cornell University
- WCM Business and Finance Committee
- WCM Special Committee on Research
- WCM Development Committee
- WCM International Affairs Committee
- WCM Physicians' Organisation Committee

Past Professional Experience

- Former Board of Directors FinTech Masala Advisors': FTAC III, IV and VI
- Former Member of the Board of One-to-World
- Former Member and Vice-Chairman World Bank Group
- Pension Finance Committee
- Former Member Steering Committee and Co-chair Public Sector Issuers Forum
- Former Member of the Board of Directors of the Girl Scout Council of Greater New York
- Former Member of the Board and of the Executive Committee Barclay's Capital



Mr Li Ping

Director (Independent)

Profile

Mr Ping currently serves as an independent Director at China State Construction Engineering Corporation Ltd. An experienced management professional, Mr Ping has three decades of experience in the information and technology sectors, where he has overseen global investments and expansions, mergers and acquisitions activity, and the management and operations of listed companies.

His previous roles include being a Board member of the China Reform Holdings Corporation and CNIC Corporation, Chief Executive Officer of China Communication Corporation Services Ltd., the Deputy Director General of China Telecommunications of the Ministry of Posts and Telecommunications and many others.

Mr Ping received a bachelor's degree from Beijing University of Posts and Telecommunications, where he majored in radio communication engineering. He also holds a master's in Business Administration from the State University of New York at Buffalo.

Academic and Professional Qualifications

- Bachelor degree in Radio communication from Beijing University of Posts and Telecommunication, 1976G
- MBA Degree from the Management School, State University of New York at Buffalo in 1989G

Current Position

- Board member of China State Construction Engineering Corporation Ltd

Past Professional Experience

- Board member, China Reform Holdings Corporation Ltd
- CEO and Chairman of China Communication Services Corporation Ltd
- Executive Director of the Board and Senior Executive Vice President of China Telecom and China CCS
- Deputy Director General of Department of Telecommunications of Ministry of Posts and Telecommunication



Mr Paddy Padmanathan

Vice Chairman (Non-Executive)[1]

Profile

Mr Padmanathan was the Vice-Chairman and Chief Executive Officer of ACWA Power having joined the Company as head of Business Development in 2005 and then from 2007 to 2021 as President and CEO and thereafter in the current role. A seasoned engineer and energy expert with over 40 years of experience, Mr Padmanathan has led the Company as it grew from a start-up, to what it is today, a Company that has a portfolio of assets in 13 high-growth markets across three continents. At ACWA Power, he has guided the business strategy to deliver power and desalinated water reliably and responsibly at competitive rates. He is also steering ACWA Power's leadership in contributing to the energy transition, underpinned by a strong ESG framework, with some of the largest renewable energy pants in the world and the first ever major inclusion of renewable energy in desalination and now expanding to the field of producing green hydrogen at scale with the first major plant in construction.

Prior to joining ACWA Power, Mr Padmanathan served as the Vice President and Corporate Officer at Black & Veatch, a major global engineering and construction company, where he was responsible for developing privately financed power, water, and wastewater projects in over a dozen countries.

Mr Padmanathan holds a degree in engineering from the University of Manchester, a postgraduate qualification in Civil Engineering production from University of Lancaster and serves on the boards of several water and power companies.

Academic and Professional Qualifications

- Bachelor of Civil Engineering from University of Manchester, UK. 1979G
- Post Graduate Studies in Civil Engineering production, University of Lancaster

Current Positions

- Non-Executive Director of BESIX and Heliogen, Non-Executive Vice Chairman of Zhero BV and Xlinks and Non-Executive Chairman of Desolenator BV

He is also holding a number of positions as a representative of the Company, including the following:

- Director, NEOM Green Hydrogen Company
- Director, ACWA Power Ouarzazte (Noor1)
- Director, ACWA Power Ouarzazate II
- Chairman, ACWA Power Ouarzazate III
- Director, ACWA Power Uzbekistan Project Holding Co. (DIFC)
- Director, ACWA Power Uzbekistan Wind Proj. Holding Co. (DIFC)
- Chairman, ACWA Industrial Investment Co. (AIICO), a Limited Liability Co
- Chairman, ACWA Power Ouarzazate IV
- Chairman, ACWA Power Khalladi
- Chairman, ACWA Power Boujdour
- Director, Arabian Co. for Water and Power Projects (APP)
- Director, ACWA Power Salalah 2 IPP Project Holding Co Ltd (DIFC)
- Director, ACWA Power Ethiopia project Holding Co (DIFC)
- Director, ACWA Power Kom Ombo Project Holding Company Ltd (DIFC)
- Director, ACWA Power Water Projects Ltd (DIFC), a Private Co/LTD
- Director, ACWA Power Global Services (DIFC)
- President, ACWA Power Laayoune
- Chairman, ACWA Güç IŞLETME VE YÖNETİM SANAYİ VE TİCARET ANONiM ŞİRKETİ
- Chairman, ACWA Power ENERJİ ANONİM ŞİRKETİ
- Director, ACWA Power AL Dur II Holding Co WLL
- Director, ACWA Power FEWA Project Holding company Limited (DIFC) [formerly AP Sohar]
- Director, ACWA Power IBRI Project Holding Company Limited (DIFC)
- Director, ACWA Power Luxor Project Holding Company Limited (DIFC) [formerly AP Barka]
- Director, ACWA Power Green Energy Company Limited (DIFC) [formerly AP Bahrain]
- Director, ACWA Power Salalah Project Holding Co Ltd (DIFC)
- Director, ACWA Power DGC Project Holding Co. Ltd. (DIFC)
- Director, ACWA Power Harbin Holdings Limited (JAFZA)
- Director ACWA Power Management and Investments One, a Private Co/LTD
- Director, ACWA Power Capital Management Ltd (DIFC)
- Director, ACWA Power Treasury Holding Co. Ltd
- Director, ACWA Power Conventional Energy (DIFC)
- Director, ACWA Power Oasis 1 Ltd (JAFZA)
- Director, ACWA Power Oasis 2 Ltd. (JAFZA)
- Director, ACWA Power Global Services Branch
- Director, ACWA Power Solar Limited (JAFZA), an Offshore Co./LLC
- Director, ACWA Power General Holdings 1 Ltd (JAFZA), an LLC
- Director, ACWA Power Energy Holdings Ltd. (JAFZA)
- Chairman, ACWA Power CF Karad PV Park EAD
- Director, ACWA Power Moatize Holdings Ltd (JAFZA)
- Director, ACWA Power Plovdiv Holdings (JAFZA)
- Director, ACF Renewable Energy, a Private Limited Liability Co
- Director, ACWA Power Bahrain Holdings WLL, a Limited Liability Co
- Director, ACWA Power Kirikalle Holding WLL
- Director, ACWA Power Coastal Holdings (JAFZA)
- Director, ACWA Power Inland Holdings (JAFZA)
- Director, ACWA Power Jordan Holding (JAFZA)
- Director, APBP TSA Company, a Private Co
- Director, ACWA Power Barka Services 1
- Director, ACWA Power Barka Services 2
- Director, ACWA Power Global Holdings (JAFZA)
- Director, ACWA Power International Holding (JAFZA)
- President and CEO, International Water and Power Company (ACWA Power)

Past Professional Experience

- Corporate Officer and Vice President, Black & Veatch Africa Limited
- Chief Executive, Black & Veatch Africa Limited
- Executive Director, Burrow Binnie International Ltd
- Engineer and Manager, John Burrow and Partners Overseas
- Researcher, IDC Group Limited and University of Lancaster

[1] Mr Padmanathan served as an executive Board member from 05 January 2022 until 20 March 2023, when he officially retired from his executive role as President and CEO of ACWA Power. From 20 March 2023 until 09 October 2023, he served as a Non-Executive Board member.



Mr Abdullah AlAbduljabbar

Director (Non-Executive)

Profile

Mr AlAbduljabbar is a Member of the Board of Directors at ACWA Power.

He is currently the Chief Executive Officer of Sanabil Investments. He brings over 20 years of multidisciplinary experience in the financial sector, both locally and internationally, across investments, strategic planning, banking, advisory, corporate finance, and capital markets. He serves on several reputable entities' Boards and Board committees.

Academic and Professional Qualification

- Bachelor's degree in economics from California State University

Current Positions

- Chairman of the Board, SNB Capital
- Member of the Board, Alhilal Company
- Member of the Board, Sanabil Investment Company
- Member of the Board, Savvy Games Group
- Member of the Board, Richard Attias and Associates Company
- Member of the Board, Caffeine Inc
- Member of the Board, Performance 54 Group

Past Professional Experience

Before he worked as CEO of Sada Investments, Abdullah led the Strategy and Business Development Division at Bank Albilad, a leading KSA-based bank. Prior to that, he worked with the Saudi Capital Market Authority (CMA) for eight years since its inception in 2004. During his work at CMA, he assumed numerous roles, including Head of Listing for which he was seconded to the United States Securities and Exchange Commission (SEC) during which time he subsequently led international relations for the CMA.

The Board of Director's meetings and attendance in 2023

In 2023 there were four (4) official Board meetings and one (1) annual strategy meeting session held. These meetings were planned and the Chairman did not receive any request by two or more of the Board members to hold any emergency meeting(s) during the year. The record of attendance is provided below.

Name	Title	Board Meeting Attendance					Total
		20-Mar	21-Mar[1]	21-Jun	20-Sep	11-Dec	
Mr Mohammad Abunayyan	Chairman	√	√	√	√	√	5
Mr Raad Al Saady	Vice Chairman	√	√	√	√	√	5
Mr Paddy Padmanathan[2]	Director	√	√	√	√	N/A	4
H.E. Mr Ahmed Alhakbani	Director	√	×	√	√	√	4
Dr Ibrahim Al-Rajhi	Director	√	√	√	√	√	5
Mr Fahad Alsaif	Director	√	√	o	√	√	5
Mr Omar Al-Madi	Director	√	√	√	√	√	5
Mr Omar Al-Midani	Director	√	√	√	√	√	5
Mr Abdullah Alrowais	Director	√	√	√	√	√	5
Mr Esmail Alsallom	Director	√	√	√	√	√	5
Dr Madelyn Antoncic	Director	√	√	√	√	√	5
Mr Li Ping	Director	√	√	√	√	√	5
Mr Abdullah AlAbduljabbar[3]	Director	N/A				√	1

[1] The Company held its annual strategy meeting on March 21, 2023.
[2] Mr Paddy Padmanathan voluntarily resigned from the Board of Directors, effective 09 October 2023.
[3] Mr Abduallah AlAbduljabbar was appointed as a Non-Executive Board member effective 15 October 2023.

√	Attended
×	Not attended
o	Attended via proxy
N/A	Resigned or not yet appointed as a member on these date(s)

BOARD COMMITTEES

As at 31 December 2023, there were four (4) functional Board committees, namely: Board Audit Committee ('BAC'); Nomination and Remuneration Committee ('NRC'); Board Executive Committee ('BEC'); and Risk Management Committee ('RMC').

Board Audit Committee and its report for the year 2023

Article 88A of the Corporate Governance Regulations states that the Report of the Board Audit Committee ('BAC') shall include details of its performance, of its competencies and duties stated in these Regulations, provided that the Report contains its recommendations and opinion on the adequacy of the internal and financial control systems and risk management systems in the Company.

Meetings

The Board Audit Committee appointed by the General Assembly held 10 meetings during 2023 and the quorum for each meeting was achieved.

ACWA Power operating model

As per the operating model adopted by ACWA power, the subsidiaries are governed by ACWA power representatives in the subsidiaries' Board and the Audit committees.

The Risk Management Committee oversees risk management at ACWA Power.

Summary of the Board Audit Committee duties and responsibilities executed in 2023

In 2020, the BAC carried out various activities within its scope of responsibilities, of which the main activities are the following:

- Financial reporting
  - Review and recommend to the Board of Directors the approval of the quarterly results and year-end consolidated financial statements.
- Internal audit
  - Review and approve the internal audit department charter, plan and outputs and ensure whether the function has the necessary authority and resources to carry out its work while maintaining its independence.
  - Review and assess internal audit reports and monitor the tracking and follow-up of implementation process determining whether appropriate actions are taken in respect of the internal audit recommendations therein.
- External audit
  - Review the External Auditors' plan, scope of work, the results of the financial audits, the relevant audit reports and management letter.
  - Seek confirmation of the independence of the external auditor, its objectivity, fairness, and effectiveness of the audit activities.
  - Confirm that appropriate assistance was given by the Executive Management team to the External Auditors and that no difficulties were encountered during the course of the audit.
- Compliance
  - Review report from the Compliance Department on compliance with the relevant laws, regulations, policies and instructions.
  - Review and provide recommendations on the related party transaction(s) for the Board's approval.
  - Oversee the existence of a whistleblowing reporting facility which captures and records matters raised by any stakeholders, including the Executive Management and employees.

Board Audit Committee's Assessment of the Internal Audit Control

Based on the work performed by the finance transformation and controls functions including Internal Audit, External Auditor, and Compliance, as well as management's attestations, nothing material has come to the attention of the Board Audit Committee that would indicate significant weakness in the system of internal and financial controls.

The BAC is satisfied that ACWA Power management continue to place sufficient focus on reviewing and improving its system of internal and financial controls to ensure they can support the Company in achieving its strategic objectives. Nonetheless, the BAC acknowledges that due to the geographical spread of ACWA Power's operations, there are inherent limitations on the comprehensiveness of the assurance provided to the BAC with regard to the effectiveness of the internal controls across all entities. The BAC supports management to continue to increase its efforts in improving its system of internal controls globally.

Profiles of Board Audit Committee Members in 2023 who are not Board Directors



Mr Khalid Al-Rabiah

Chairman of the Board Audit Committee

Academic and Professional Qualification

- Bachelor's degree in accounting, University of Toledo, in 1991G

Current Positions

- Chairman of the Board, Arab Company for Drg Industries and Medical Appliances (ACDIMA)
- Board and Investment Committee Member and Chairman of The Board Risk Committee, Yanbu National Petrochemical Company (Yansab)
- Board and Audit Committee Member, the Tunisian Saudi Bank (TSB)
- Board and Chairman of the Board Audit Committee at Abdullah Al Othaim Investment Co
- Board and Chairman of the Board Audit Committee at East Pipes Integrated Co. for Industry (EPIC)
- Board and Chairman of the Board Audit Committee at Miahona Co
- Board and Chairman of the Board Audit Committee, and member of the Nomination and Remuneration Committee at Southern Province Cement Co
- Chairman of the Board Audit Committee at Saudi Tabreed Co
- Board member and Chairman of the Audit Committee at Tarabot Charitable Organisation
- Founder and Chairman, Khalid Al Rabiah Financial Advisory

Past Professional Experience

- Chairman, the Saudi Stock Exchange 'Tadawul'
- Consultant at The Ministry of Industry and Mineral Resources
- Consultant at The Saudi Mining Services Co. 'ESNAD'
- CEO, Methanol Chemical Company
- CFO, Saudi Arabian Amiantit Company
- Accountant, Saudi Arabian Monetary Agency, SAMA



Mr Mike Cheng

Member of the Board Audit Committee

Academic and Professional Qualifications

- Chartered accountant, institute of chartered accountants in England and Wales, in 1995G
- Aerospace systems engineering, Southampton university, in 1991G

Current Positions

- Managing Director, Chief Audit Executive, Public Investment Fund
- Chairperson of the Board Audit Committee, Savvy Games Group
- Chairperson of the Board Audit Committee, Avilease
- Chairperson of the Board Audit Committee, ROSHN
- Member of the Board Audit Committee, Maaden, Mining Company
- Member of the Board Audit Committee, ACWA Power
- Member of the Board Audit Committee, Ceer
- Member of the Board Audit Committee, LIV GOLF
- Member of the Board Audit Committee, Neom Investment Fund
- Member of the Board Audit Committee, Industrial Company for Electronics

Past Professional Experience

- Chief Risk and Compliance Officer, Prudential, Indonesia
- Chief Audit Executive, Prudential Asia
- Managing Director, head of Audit, Barclays Bank Asia
- Regional Head of Audit in UK and Europe, Deutsche Bank
- Manager, KPMG



Mr Rasheed AlRasheed

Member of the Audit Committee

Academic and Professional Qualifications

- Higher Diploma in Management Information Technology Systems, King Saud University, Saudi, in 1988G

Current Positions

- Member of the Board of Directors, and a member of Audit Committee of Dr Sulaiman Al Habib Medical Services Group Company since December 2021
- Member of the Board of Directors of ALHassan Ghazi Ibrahim Shaker Company since 2022
- Chairman of the Board of Directors of Al Ramz Real Estate Company since 2020
- Member of the Board of Directors and member of the Executive Committee and Member of the Audit Committee and member of the Nomination and Remuneration Committee of SAL Saudi Logistics Services Company since 2019
- Member of the Board of Directors of Tarabot Investment and Development Company (Formerly Integrated Transportation Company) since 2012
- Managing Director of Tarabot Investment and Development Company (Formerly Integrated Transportation Company) since 2014
- Member of the Board of Directors and Chairman of the Executive Committee and Member of the Audit Committee and member of the Nomination and Remuneration Committee of Saudi Airlines Cargo Company since 2012
- Member of the Board of Directors and member of the Executive Committee of Vision International Investment Company (Formerly Arabian Company for Water and power Development) since 2007
- Member of the Board of Directors of Himmah Capital Limited Company since 2022
- Chairman of the Board of Directors Himmah Capital Investment Company since 2023
- Member of the Board of Managers and Chairman of the Audit and Risk Committee of Jazan Gas Projects Company since 2015
- Member of the Board of Managers of Tarabot Air Cargo Services Company since 2014
- Member of the Board of Managers of ALAthat Company since 2014
- Member of the Board of Managers of Saudi Integrated Company for Waste Treatment since 2013
- Member of the Board of Managers of Data Volt Information Technology Company since 2023

Past Professional Experience

- Chairman of the board of managers of Zelan Arabia Company in Riyadh from 2007 to 2023
- Vice Chairman of the Board of Directors of Saudi District Cooling Company (Tabreed) in ALKhobar from 2021 to 2023
- Chairman of the Board of Directors of the board of managers at Network Coverage Company for Communication in Riyadh from 2020 – to June 2021
- Chairman of the board of managers of Dhahran Valley Colling Company in ALKhobar from 2019 to Aug 2021
- Member of the board of managers of Integrated Towers Company for Communication in Riyadh from 2019 to July 2022
- Owner of AL Ramz Real Estate Company in Riyadh from 2017 to 2019
- Chairman of the board of managers of Saudi Riyadh Cooling Company in Riyadh from 2015 to Aug 2021
- Chairman of the board of managers of Riyadh Water Production Company in Riyadh from 2015 to 2020
- Member of the board of managers of Global Ports and Railways Company in Riyadh from 2014 to 2019
- Member of the board of managers of Central District Cooling Company in Makkah Al Mukarramah from 2011 to Oct 2021
- Managing Director of Saudi District Cooling Company (Tabreed) in Al Khobar from 2011 to Aug 2021
- Chairman of the board of managers of Saudi Dhahran Cooling Company in Al Khobar from 2009 to Aug 2021
- Chairman of the board of managers of Saudi Tabreed Operations and Maintenance Company in Al Khobar from 2009 to Aug 2021
- Member of the Board of Directors of Saudi District Cooling Company (Tabreed) in Al Khobar from 2008 to Aug 2021
- Member of the board of managers of Welspun Middle East Pipes Company in Dammam from 2008 to 2014
- Member of the board of managers of Arabian Japanese Membrane Company in Riyadh from 2008 to 2014
- Member of the Board of Directors of International Company for Water and power Projects in Riyadh from 2008 to January 2022
- President and CEO of Arabian Company for Water and power Development Company (Formerly ACWA Holding) from 2007 to 2014
- Member of the board of managers of Shuaibah Water and Electricity Company in Jeddah from 2006 to 2009
- Member of the Board of Directors of Abdullah Abunayyan Group from 2006 to 2009
- Member of the board of managers of Shuqaiq Water and Electricity Company in Jazan from 2006 to 2009
- Member of the board of managers of Rabigh Water and Electricity Company in Jeddah from 2006 to 2009
- Member of the board of managers of Arabian Company for Water and power Projects from 2004 to 2011
- Group Vice President and Chief Financial Officer of Abdullah Abunayyan Group from 2000 to 2007
- Senior Management Information Advisor of AL Rashed Certified Public Accountants from 1998 to 2000
- Senior Management Consultant of AL Rashed Certified Public Accountants from 1996 to 1997
- Management Consultant of AL Rashed Certified Public Accountants from 1993 to 1995
- Computer Programmer and Systems Analyst of Royal Saudi Air Force (BDM International) from 1992 to 1993
- Computer Programmer of Saudi Telecom Company (STC) from 1988 to 1992

BAC meetings and attendance in 2023

In 2023 there were ten (10) official BAC meetings held. These meetings were planned and the Chairman did not receive any request by two or more of the BAC members to hold any emergency meeting(s) during the year. The record of the members' attendance is provided below. The Chairman of the BAC presents quarterly updates to the Board of Directors on the committee's discussions, recommendations/ endorsements.

Name	Title	BAC Meeting Attendance										Total
		5-Feb	1-Mar	6-Mar	9-May	13-Jun	9-Aug	5-Sep	1-Nov	6-Nov	3-Dec	
Mr Khalid Al Rabiah	Chairman	√	√	√	√	√	√	√	√	√	√	10
Mr Mike Cheng	Member	√	√	√	√	√	√	√	√	√	×	9
Mr Rasheed Al Rasheed	Member	√	√	√	√	√	√	√	√	√	√	10
Mr Abdullah Al Rowais	Member	√	√	√	√	√	√	√	√	√	√	10
Mr Li Ping	Member	√	√	o	√	√	√	√	√	o	√	10

√	Attended
×	Not attended
o	Attended via proxy
N/A	Resigned or not yet appointed as a member on these date(s)

Board Executive Committee

Pursuant to Article (28) of the Company's By-laws, the Company has established a Board Executive Committee ('BEC') which comprises five (5) Board members, appointed by the Board for a period not exceeding the term of the Board membership, exclusively consisting of members of the Board. Chaired by the Chairman of the Board of Directors, the BEC is responsible for amongst other things, receiving and evaluating proposals submitted to it from, and recommended for approval by the Executive Management, regarding any project or investment/ divestment opportunities and deciding on whether the Company will execute or participate in the proposed project of the proposed investment/divestment opportunity, in line with its approval authorities. In addition, the BEC oversees the Company's business and investment operations by analysing investment policies, strategies, transactions, opportunities and performance of the Company. The BEC executes its responsibilities as outlined below, in accordance with the Company's By-laws, the BEC Charter and the internal governance of the Company.

- Review and approve investment/divestment proposals.
- Review and recommend for the approval of the Board of Directors the Company's five-year (5-year) business plans, operating plans, the capital expenditure programmes and other studies or plans that will have a significant impact upon the operations of the Company.
- Review and recommend for the approval of the Board of Directors the Annual Business Development Plan (ABDP), Strategic Business Development Plan (SBP) and Strategic Risk Review (SRR) proposed by the Executive Management which identifies various investments, acquisitions and bid opportunities.
- Without prejudice to the provisions set out in the Company's By-laws, review and recommend to the Board of Directors any amendments to existing or any new corporate investment principles or guidelines of a general nature proposed by the Executive Management for the financial assets. For the avoidance of doubt, this does not include individual investments and/or bids where the BEC has sole authority.
- Review, endorse and recommend the annual budget for the Board of Directors' approval.
- Ensure that the Company integrates sustainability in the development of its strategy.
- Review the sustainability action plan proposed by the Executive Management and monitor its implementation to ensure the Company is successful in achieving its sustainability goals.
- Approve Corporate Social Responsibilities ('CSR') initiatives in and/or out of Saudi Arabia where the Company invests or contemplates to have potential investments as determined by the BEC.
- Review and or approve any other matter as delegated from the Board of Directors from time-to-time.

The Chairman of the BEC presents quarterly updates to the Board of Directors on the committee's discussions, recommendations/endorsements.

BEC meetings and attendance in 2023

In 2023 there were twenty-two (22) official BEC meetings held. These meetings were planned and the Chairman did not receive any request by two or more of the BEC members to hold any emergency meeting(s) during the year. The record of the members' attendance is provided opposite.

Name	Title	BEC meeting attendance																						Total
		29-Jan	28-Feb	8-Mar	12-Mar	22-Mar	18-Apr	11-May	24-May	4-Jun	5-Jun	26-Jun	23-Jul	20-Aug	7-Sep	18-Sep	12-Oct	22-Oct	2-Nov	10-Nov	22-Nov	4-Dec	20-Dec	
Mr Mohammad Abunayyan	Chairman	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	o	√	√	√	√	22
Mr Fahad AlSaif	Member	√	√	√	o	o	√	√	√	√	√	√	o	√	o	√	√	o	o	√	o	√	√	22
Mr Omar Al-Madhi	Member	√	o	√	√	√	√	o	√	√	√	√	√	o	√	√	√	√	√	√	√	√	√	22
Mr Omar Al-Midani	Member	√	√	√	√	√	√	√	√	o	√	o	√	√	√	√	√	√	√	√	√	√	√	22
Mr Esmail Alsallom	Member	o	√	o	√	√	√	√	o	√	√	√	√	√	√	√	√	√	√	o	√	o	√	22

√ Attended × Not attended o Attended via proxy N/A Resigned or not yet appointed as a member on these date(s)

Nomination and Remuneration Committee

In line with article (51) of the Corporate Governance Regulations issued by the CMA, and article (30) of the Company's By-laws, the Company has established a Nomination and Remuneration Committee ('NRC'), dated 05 January 2022. The NRC is chaired by an Independent Board member, in line with applicable legislation, and further consists of one (1) Non-Executive Director and three (3) non-Board members. In line with the CMA CGR, none of the members of the NRC are members of the Executive Management. The NRC is responsible, amongst other things, to assist the Board in fulfilling its fiduciary responsibilities by providing independent advice, guidance, and oversight in respect to:

1. The process of nomination, appointment, and evaluation of the members of the Board (Executive, Non-Executive, and Independent Board members) and Board committees, individually and collectively, to ensure their effectiveness.
2. The structure, skills, qualification, and Remuneration of the members of the Board and Board committees.
3. The appointment and remuneration of the Executive Management.
4. The Company's succession plan for the Executive Management.
5. The Company's incentive programme and total rewards framework and policies.
6. The Company's corporate governance policies.

The NRC executes its responsibilities as outlined below, in accordance with laws, regulations and the NRC Charter as provided below.

Responsibilities in relation to Nomination

- Suggest clear policies and standards for membership of the Board and the Executive Management;
- Recommend to the Board the names of candidates nominated or re-nominated for the membership of the Board and/or Board committees, in line with the CMA Corporate Governance Regulations and the Company's Selection Policy, taking into account that such nomination shall not include any person convicted of a crime involving moral turpitude or dishonesty;
- Prepare a description of the capabilities and qualifications required for membership of the Board and Executive Management positions;
- Determine the amount of time that the members shall allocate to the activities of the Board;
- Annually review the skills and expertise required of the Board members and the Executive Management;
- Review the structure of the Board and the Executive Management and provide recommendations regarding changes that may be made to such structure;
- Annually ensure the independence of Independent Directors and the absence of any Conflict of Interest if a Board member also acts as a member of the board of Directors of another company;
- Provide job descriptions for the Executive, Non-Executive and Independent Directors and the Senior Executive Management;
- Set procedures to be followed if the position of a member of the Board or a Senior Executive becomes vacant; and
- Determine the strengths and weaknesses of the Board and recommend remedy solutions that serve the Company's interests.

Responsibilities in relation to Remuneration

- Prepare a clear policy for the Remunerations of the Board members and its committees and the Executive Management, and present such policy to the Board in preparation for approval by the General Assembly, provided that such policy follows standards that linked to performance, and disclose and ensure the implementation of such policy;
- Clarify the relation between the paid Remunerations and the adopted Remuneration Policy, and highlight any material deviation from that Remuneration Policy;
- Review on a periodic basis the Remuneration Policy and assess its effectiveness in achieving its objectives;
- Provide recommendations to the Board in respect of the Remunerations of its members, the members of the Board committees and Executive Management, in accordance with the approved policy;
- Without prejudice to the provisions of the Companies Law and the Capital Market Law and their implementing regulations, the Committee shall see that the Remuneration Policy is in line with the following principles and provisions:
  - Ensure consistency with the Company's approved long-term strategy, objectives and risk appetite;
  - Provide remuneration packages with the aim of encouraging the Executive Management to achieve the success of the Company and its long-term development by, for example, making the variable component of the remuneration linked to sustained long-term performance;
  - Determine remuneration based on job level, duties and responsibilities, educational and professional qualifications and competencies, practical experience, skills and level of performance;
  - Be consistent and proportionate with the magnitude, nature and level of risks faced by the Company;
  - Benchmark against practices of other similar companies in respect of the determination of remunerations, but avoid the disadvantages of such comparisons in leading to unjustifiable increases in remunerations and compensations;
  - Attract, retain and promote talented professionals and incentivize them to drive for materially positive business outcomes, aligned with the Company's approved strategy, objectives and risk appetite;
  - Without prejudice to the provisions set forth in employment contracts, and/or appointment letters, and applicable law (i.e., the Labor Law), take into consideration situations where Remuneration, except the Fixed Remuneration, should be suspended or reclaimed if it is determined that such Remuneration were set based on inaccurate information provided by a member of the Board, Board Committee or the Executive Management, or where a Board, Committee member and/or Executive Management failed to act in accordance with the Company's policies and/or Codes or violated applicable laws and regulations, in order to prevent abuse of power to obtain unmerited remunerations; and
  - Regulate the grant of the Company's shares to the Board members and the Executive Management, whether newly issued or purchased by the Company.

Responsibilities in relation to Corporate Governance

- Propose, for the Board's review and approval, a Code of Corporate Governance for the Company in accordance with the provisions set forth in the Corporate Governance Regulations.
- Monitor the implementation of the Code, verify its effectiveness and propose amendments, if and where required, for the Board's review and approval. To this end:
  - Verify that the Company is in compliance with the Code of Corporate Governance;
  - Review and propose updates to the Code pursuant to statutory requirements and best practices;
  - Review and propose the development of codes of professional conduct representing the Company's values, and other internal policies and procedures in accordance with applicable best practices; and
  - Regularly inform the Board members of the developments in corporate governance and best practices.

The Chairman of the NRC presents quarterly updates to the Board of Directors on the committee's discussions and recommendations/endorsements.

Profiles of Members of the Nomination and Remuneration Committee in 2023 who are not Board Directors



Mr Johan Brand

Member of the Nomination and Remuneration Committee (until 10 December 2023)

Academic and Professional Qualifications

- MSc Business Economics, Erasmus University Rotterdam, Netherlands, in 1986G
- MA Corporate Law, Erasmus University Rotterdam, Netherlands, in 1985G
- MA Private Law, Erasmus University Rotterdam, Netherlands, in 1985G

Current Positions

- NRC Member, Saudi Telecom Company
- RNC Member, The Savola Group
- NRC Member Ma'aden
- Board member, Almrakez/Cenomi
- NRC Member, Nesma Company
- Board member, Nesma United Industries
- RNC Member Ghobash Trading and Investments
- Managing Director, Johan Brand Leadership Advisory

Past Professional Experience

- Senior Partner and Consultant, Executive Search, Egon Zehnder
- Head of Marketing/Director of PCI Management Institute, Pepsi Cola International
- Brand Management, PandG Benelux



Mr Tariq Al-Amoudi

Member of the Nomination and Remuneration Committee

Academic and Professional Qualifications

- MBA, Strategy and HRM from Griffith University, Australia, in 2007G
- BBA, Marketing from Griffith University, Australia, in 2005G

Current Positions

- Chief Human Resources Officer at Bupa Arabia
- Chairman of the Board Nomination and Remuneration Committee (NRC) at Saudi Tourism Investment Company
- Board member and Audit Committee Member of Kaffa Efficiency Excellence
- Member of the Board Nomination and Remuneration Committee (NRC) at Jeddah Downtown
- Member of the Board Nomination and Remuneration Committee (NRC) Uptown Jeddah Company
- Member of the Board Nomination and Remuneration Committee (NRC) Makkah Health Cluster
- Member of the Board Nomination and Remuneration Committee (NRC) Milling Company
- Member of the Board Nomination and Remuneration Committee (NRC) Endeavor
- Member of the HR Committee at SAMA Advisory Council

Past Professional Experience

- Chief Human Resources Officer at Bupa Arabia from 2017-Present
- Director in Human Resources at Procter and Gamble from 2016–2017
- Global Director in Human Resources at Procter and Gamble from 2012–2016
- Head in Human Resources at Procter and Gamble from 2007–2012



Mr Ahmed Al-Ghamdi

Member of the Nomination and Remuneration Committee

Academic and Professional Qualifications

- Master's Degree in MB, HULL university, in 2009G
- Bachelor's Degree in industrial engineering, KFUPM, in 2004G

Current Positions

- Chief Human Resources Officer, STC
- Non-executive, Board and Executive Committee, STC channels
- Independent Director, Nomination and Remuneration Committee, GOSI
- Independent Director, Nomination and Remuneration Committee, Economic Cities Authority (ECZA)
- Independent Director, Nomination and Remuneration Committee, First Milling Company
- Independent Director, Nomination and Remuneration Committee, SPIMACO Addwaeih
- Independent Director, Nomination and Remuneration Committee, SAMI

Past Professional Experience

- HR Planning and Organisation Design GM, STC
- Human Capital Senior Associate, Mercer
- Human Resources Head, NUPCO
- Group Human Resources Head, LAZURDE Group
- Recruitment Manager/Acting HR Manager, Al Safi Danone
- HR Specialist, National Air Services (NAS)
- Section Manager – Hyper Panda, Azizia Panda – Savola



Ms Aseel Al-Barqawi

Member of the Nomination and Remuneration Committee

Academic and Professional Qualifications

- Higher Diploma in administrative and constitutional law The Institute of Public Administration 2023
- LLM from Northwestern University, in 2014
- MBA from the University of Leicester, in 2008
- Bachelors in Legal Translation King Saudi University, in 2002

Current Positions

- Senior Legal Counsel, The Bureau of Experts at the Saudi Council of Ministers
- Independent Committee Member with the Governance Committee at Real Estate Development Fund
- Independent Board member, Saudi Fransi Financing Company
- Chair, NRC Committee, Saudi Fransi Financing Company
- Member, The Investment and Securities Committee, Chambers of Commerce
- WomenSpark volunteer Board member
- Founding Partner, Alef-baa consulting

Past Professional Experience

- Counsel, Latham and Watkins
- Chief Legal Officer Saudi Stock Exchange (Tadawul)
- Vice President, legal and Compline and Corporate Secretary, Credit Suisse SA
- Head, Legal and Compliance, Standard Charted SA
- Compliance and Governance Manager, HSBC, Manager, senior investment operations supervisor Banque Saudi Fransi

NRC meetings and attendance in 2023

In 2023 there were twelve (12) official NRC meetings. These meetings were planned, and the Chairman did not receive any request by two or more of the NRC members to hold any emergency meeting(s) during the year. The record of the members' attendance is provided below.

Name	Title	NRC meeting attendance												Total
		14-Jan	27-Feb	14-Mar	16-Apr	19-Apr	8-May	1-Jun	30-Aug	16-Oct	14-Nov	23-Nov	17-Dec	
H.E. Ahmed AlHakbani	Chairman	√	√	√	√	√	√	√	√	√	√	√	√	12
Mr Johan Henri Brand[1]	Member	√	√	√	√	√	√	√	√	√	√	√	N/A	11
Mr Tariq Alamoudi	Member	√	√	√	√	√	√	√	√	√	√	√	√	12
Mr Ahmad Al-Ghamdi	Member	√	√	√	√	√	√	√	√	√	√	√	√	12
Ms Aseel Albarqawi	Member	√	√	√	√	√	√	√	√	√	√	√	√	12
Mr Omar Al-Madhi[2]	Member						N/A						√	1

√	Attended
×	Not attended
o	Attended via proxy
N/A	Resigned or not yet appointed as a member on these date(s)

Risk Management Committee

In line with guiding article (67) of the Corporate Governance Regulations issued by the CMA and article (29) of the Company's By-laws, the Company has an established Risk Management Committee ('RMC') which was formerly known as the Risk and Compliance Committee. The RMC consists of one (1) Independent Director and four (4) non-Board members, one of which is the Chairman of the Committee, serving for a period not exceeding the term of the Board membership. The RMC assists the Board in fulfilling its fiduciary responsibilities by providing independent advice, guidance, and oversight with respect to:

1. The adequacy of the Company's risk management system in identifying, monitoring, and mitigating risks and exposures.
2. The policies related to risk management, including the Risk Appetite, and monitoring the implementation and adherence thereof.
3. The independence and adequacy of the Risk Management department.

The RMC's role and responsibility, as outlined below, is in accordance with the legal and regulatory requirements, and the RMC Charter:

- Develop a strategy and comprehensive policies for risk management that are consistent with the nature and volume of the Company's activities, monitor their implementation, and review and update them based on the Company's internal and external changing factors;
- Determine and maintain an acceptable level of risk that may be faced by the Company and ensure that the Company does not go beyond such level;
- Ensure the feasibility of the Company continuation, the successful continuity of its activities and determine the risks that threaten its existence during the following twelve (12) months;
- Oversee the Company's risk management system and assess the effectiveness of the systems and mechanisms for determining and monitoring the risks that threaten the Company in order to determine areas of inadequacy therein;
- Regularly reassess the Company's ability to take risks and be exposed to such risks (through 'stress tests' as an example);
- Prepare detailed reports on the exposure to risks and the recommended measures to manage such risks, and presenting them to the Board;
- Provide recommendations to the Board on matters related to risk management;
- Ensure the availability of adequate resources and systems for risk management;
- Review the organisational structure for risk management and provide recommendations regarding the same before approval by the Board;
- Verify the independence of the risk management employees from activities that may expose the Company to risk;
- Ensure that the risk management employees understand the risks threatening the Company and seek to raise awareness of the culture of risk;
- Review any issues raised by the Board Audit Committee that may affect the Company's risk management; and
- Ensure the CRSSO (Chief Risk, Strategy and Sustainability Officer), within the scope and authority of his/her risk responsibilities, shall be given the right of unfettered direct access to the Chairman of the Board and to the RMC.

[1] Mr Johan Henri Brand voluntarily resigned from the NRC on 10 December 2023.
[2] Mr Omar Al-Madhi was appointed by the Board of Directors as a member of the NRC on 11 December 2023.

Profiles of Risk Management Committee Members in 2023 who are not Board Directors



Mr Guy Richelle

Chairman of the Risk Management Committee

Academic and Professional Qualifications

- Master's Degree in Nuclear Engineering, University de Liege Belgium, in 1978G
- Master's Degree in Climate Change and Environment, King's College of London, in 2000G

Current Positions

- Independent Board member and Executive Committee, Vision invest international

Past Professional Experience

- Non-Executive Vice-Chairman of the Board and Chairman of the Board Executive Committee of NOMAC in the Middle East
- Member of the Nomination and Remuneration Committee of ACWA Power
- Senior Advisor to the CEO and to the NRC, and Chief Risk, Sustainability and Strategy Officer of ACWA Power
- Engie SA, Head of Business Development Oversight (BDO) and Acting CEO, Middle East Africa-Southeast Asia
- Engie SA, Director Operational Projects
- International power, Executive Director, COO
- GDF SUEZ Energy International, Regional CEO, Middle East, Asia and Africa
- Westinghouse Nuclear, Engineering Manager
- Eskom, Classroom and simulator instructor



Mr John Walker

Member of the Risk Management Committee

Academic and Professional Qualification

- Honours degree in politics from the University of New England in Australia in 1982G

Current Positions

- Chairman, Eastpoint Partners Limited (Hong Kong)
- Chairman, Asia, Glenfarne Infrastructure Holdings, LLC (New York)
- Chairman, Korea Renewable Energy Development and Operation (Korea)
- Deputy Chairman, Australia Korea Business Council
- Chairman, Camarata Music Company (Korea)
- Chairman, Integra Communications (Korea)
- Advisory Board member, BlackRock Infrastructure Solutions
- Advisory Board member, BrightNight power (USA)
- Advisory Board member, Nextwave Partners (Singapore)

Past Professional Experience

- Chairman of Macquarie Capital Asia
- Chairman of Macquarie Group – Korea
- Chairs Eastpoint Partners Limited
- Head of Government Business, Asset and Infrastructure Group, Macquarie Group
- Head of Government Business, Bankers Trust Australia
- CEO, Chief Ministers Department, Australian Capital Territory
- CEO, New South Wales Department of Transport, Australia.



Mr Ayman El Ariss

Member of the Risk Management Committee

Academic and Professional Qualifications

- Bachelor's Engineering, The American University of Beirut, in 2001G
- Master of Science, Electrical Engineering, University of California, in 2003G
- MBA, INSEAD, in 2009G

Current Position

- Director, Public Investment Fund (Riyadh, KSA)

Past Professional Experience

- Senior Manager, Masdar
- Manager, The Monitor Group, a global strategy consulting firm
- Software Engineer, Mobiclip (today Nintendo European RandD)
- Lead Software Engineer, LG Electronics



Mr David Dew

Member of the Risk Management Committee

Academic and Professional Qualifications

- Master's Degree in Economics, University of Cambridge, in 1977G
- Associate of Chartered Institute of Bankers, in 1980G

Current Positions

- None

Past Professional Experience

- Managing Director, Saudi British Bank "SABB" (currently Saudi Awwal Bank "SAB") Riyadh
- Deputy Global Head HSBC Amanah (Islamic Banking) And Chief Administrative Officer, HSBC Bank, Investment Banking
- Chief Operating Officer, HSBC Bank USA
- Chief Audit Officer, HSBC Bank, Buffalo, and Chicago
- Deputy Managing Director, SABB, Riyadh
- Deputy Chief Executive Officer, HSBC Bank, Singapore
- Chief Executive Officer, HSBC Bank, Milan

RMC Meetings and Attendance in 2023

In 2023 there were five (5) official RMC meetings. These meetings were planned, and the Chairman did not receive any request by two or more of the RMC members to hold any emergency meeting(s) during the year. The record of the members' attendance is provided below.

Name	Title	RMC Meeting Attendance					Total
		9-Mar	30-May	11-Sep	12-Oct	6-Dec	
Mr Guy Richelle	Chairman	√	√	√	√	√	5
Mr John Walker	Member	√	o	√	√	√	5
Mr Ayman Elariss	Member	√	√	√	o	√	5
Mr David Dew	Member	√	√	√	√	√	5
Dr Madelyn Antoncic	Member	√	√	√	√	√	5

√	Attended
×	Not attended
o	Attended via proxy
N/A	Resigned or not yet appointed as a member on these date(s)

SENIOR EXECUTIVES[1]



Marco Arcelli

Chief Executive Officer[2]

Marco Arcelli is the Chief Executive Officer and responsible for overseeing the strategy and operations of ACWA Power's growing global footprint and ensuring its continued growth and success worldwide.

He is a seasoned C-level executive with 30 years of international experience in energy and infrastructure, retail, and digital innovation and has played a crucial role in the strategic positioning and growth of multinational companies. As an energy expert, Marco has held various leadership positions, including CEO of Enel Trade and EVP Upstream Gas, CEO of Enel's North American and operations, as well as Executive Chair of EP New Energy.

Marco also has in-depth expertise in turn-around and operations, having led two corporate transformations highlighted in case studies by IESE and Harvard Business School. He is also a peer reviewer for the International Energy Agency.

He has also made significant contributions in public affairs and government relations, managing policy negotiations at the country and EU level. He is a dedicated advocate of environmental, social, and governance (ESG) issues and has served as an Audit and HR Committee member for listed companies in Germany and Russia.

An active member of numerous Boards, Marco is also a mentor for organisations supporting women in business and young talents.

He holds a Master's Degree in Mechanical Engineering from the Università degli Studi di Genova, Italy and has completed the Harvard Advanced Management Program.

[1] The Senior Executives represents the CEO and direct C-level reportees to the CEO as per the organisational structure in 2023. This may differ from the organisational structure as of the date this report is published.

[2] Effective 20 March 2023, Marco Arcelli replaced Mr Paddy Padmanathan following his retirement as President and Chief Executive officer of ACWA Power having served the Company for over 18 years.



Abdulhameed Al Muhaidib

Chief Financial Officer

Mr Abdulhameed Al Muhaidib serves as the Chief Financial Officer at ACWA Power.

Mr Abdulhameed Al Muhaidib is a skilled leader having held several positions in both Business and Finance at ACWA Power since 2008.

During the initial years of his career within the Group, Abdulhameed worked in Corporate Finance and served several roles in Project boards and committees, including NOMAC. Abdulhameed was then primarily involved in managing projects under execution in the UAE, including Noor Energy 1, which is the world largest CSP project. Before joining the Company, he worked at HSBC Middle East/Saudi Arabia in Global Investment Banking and Advisory.

Abdulhameed serves as Board member, audit committee member and risk committee member in many organisations including HSBC Saudi Arabia, Saudi Awwal Bank (SAB), Saudi Tadawul Group and several ACWA Power subsidiaries.

Abdulhameed holds a BBA Finance Major from University of Miami as well as an MBA from Pepperdine University Graziadio School of Business and Management. He was also selected and completed the KSA Leadership 2030 Program sponsored by HRH Mohammed bin Salman Foundation (MISK).



Kashif Rana

Chief Portfolio Management Officer

Kashif Rana serves as the Chief Portfolio Management Officer (CPMO) of ACWA Power.

Having joined the Group as Director of Accounting, Controls and Taxation in 2009, Kashif has successfully led finance activities for the Group and its investments in developing and implementing best practice regarding long-term planning, corporate finance, audits, accounting, reporting, insurance, corporate legal, treasury, and tax structuring, in addition to leading private security offerings with sovereign institutes of Saudi Arabia.

Prior to his appointment as CPMO, Mr Rana held the position of Chief Financial Officer at ACWA Power.

With 20 years' experience in the power and water sector, high on his list of significant achievements, is leading the extremely successful IPO and public listing of ACWA Power on the Saudi Stock Exchange (Tadawul) as well as managing the equity investors and transition to operating as a listed company.

Before joining ACWA Power, Mr Rana served as the CFO of AES Middle East.

Mr Rana sits on the board of several companies owned and operated by ACWA Power. He is a certified Chartered Accountant from the Institute of Chartered Accountants of Pakistan.



Thomas Brostrom

Chief Business Development and Investment Officer

Thomas Brostrom serves as the Chief Business Development and Investment Officer at ACWA Power, leading the Company's investment strategy and driving its ambitious global growth plan to optimise value and profitability for shareholders.

As a seasoned leader with over two decades of experience in the renewable energy sector, Brostrom has honed his expertise in managing growth through acquisitions, divestments, and organic expansion, all supported by a robust financial background.

Prior to joining ACWA Power, he held the position of Executive Vice President for Renewable Generation at Shell Plc in London, where he oversaw the global renewable generation business. Additionally, he served as President of Orsted's North American division, a prominent global offshore wind power firm.

Brostrom actively contributes to the boards of various renewables-led organisations, including the American Wind Energy Association (AWEA), The Massachusetts Business Roundtable, and RenewableUK.

He holds a Master of Science in Finance and International Business from Aarhus School of Business and is recognised as a chartered financial analyst (CFA), certified by the esteemed CFA Institute.



Stefan Verlee

Chief Operations Officer

Stefan Verlee serves as the Chief Operations Officer for ACWA Power and as the President and Chief Executive Officer of First National Operations and Maintenance Company (NOMAC), a leading O&M provider that is 100 percent owned by ACWA Power. Mr Verlee was appointed President and Chief Executive Officer of NOMAC in July 2022.

A professional engineer with over 25 years' experience in operation and maintenance, Stefan previously served as Executive Vice President of NOMAC, leading the expansion of the international business since 2017 in providing safe, reliable, and cost-effective power and water to the communities we operate in and fully engaged in the energy transition. Prior to joining NOMAC, Stefan was working with Engie, a leading energy company focused on energy transition, electricity and water generation, distribution, and services. He oversaw the operation and maintenance of large-scale power and water projects in various continents, most recently as Chief Operating Officer of ENGIE power and Water Middle East.

Stefan holds a Master's Degree in electro-mechanical engineering from the University of Leuven (Belgium) and an MBA in European Utility Management from Jacobs University of Bremen (Germany).



Bart Boesmans

Chief Technology Officer

Bart Boesmans is the Chief Technology Officer at ACWA power and is leading technology development at ACWA power.

He brings over 25 years of international experience in the electrical power industry having held operational and executive leadership roles in a range of areas including engineering, business development, project execution and asset management.

Prior to joining ACWA Power, Bart's experience was primarily with Engie where he led several C-Suite roles for over 10 years across multiple geographies, the most recent one being Deputy Managing Director of Engie's Global Business Line Renewables. Before joining Engie, Bart was CEO of Laborelec, an internationally operating electricity research and O&M services centre. Since his early engagement in wind energy over two decades ago, Bart has been actively involved in a wide range of technologies including conventional power generation, natural gas, LNG transport and storage, green gases, solar PV and CSP, hydropower, battery storage, demand side management and microgrids.

Bart holds a Master's Degree and a PhD in Mechanical Engineering from the University of KU Leuven. He is also a visiting professor at the University where he teaches power generation engineering.



Faisal Jadu

Chief People and Culture Officer

Faisal Jadu serves as the Chief People and Culture Officer at ACWA Power.

A seasoned professional with over 18 years of experience in the human resources field, Mr Jadu was responsible for driving and formulating the HR function of several prominent organisations in Saudi Arabia. His areas of expertise entail strategic planning, change management, leadership development, governance and policies, and organisational effectiveness.

Mr Jadu started his professional career by joining Alawwal Bank's Future Managers Programme and then joined the Human Resources function where he held several executive roles. In 2011, Mr Jadu moved to Saudi British Bank "SABB" (currently Saudi Awwal Bank "SAB") where he held several leadership positions before assuming the role of Chief Human Resources Officer.

Prior to joining ACWA Power, Mr Jadu served as the Chief Executive Officer of the Financial Skills Centre within the Ministry of Finance (MOF) in Saudi Arabia. He was responsible for establishing the Financial Skills Centre – a national initiative to develop the financial skills of government employees, which included over five hundred government entities and up to 18,000 employees across the Kingdom.

Mr Jadu holds a Bachelor's Degree in Management Information Systems (MIS) from King Fahd University of Petroleum and Minerals (KFUPM), Saudi Arabia. He is also an independent member of the Board of Directors' Nomination and Remuneration Committee (NRC) of several Saudi entities.



Alvaro Perez

Chief Digital Officer

Alvaro Perez joined ACWA Power as the Chief Digital Officer and is leading ACWA Power's digital transformation, as well as managing the Information and Communications Technology (ICT) functions.

He has over 20 years of experience within technology integration and has been responsible for leading large international IT projects where technology and digitalisation were key for business transformation. Mr Perez had been a member of numerous Boards including International Oracle Utilities Product Development Advisory Board and several American power generation associations, and participated as an entrepreneur on different ICO, blockchain and IoT initiatives.

Prior to joining ACWA Power, Mr Perez held different posts during the last 20 years at the largest top five utilities in America and Europe most prominent being CEO of their services companies, CIO and Head of their Digital Hubs where he mainly specialised in distributed generation, demand response and aggregation, energy efficiency and smart cities development.

Mr Perez is an Economic Science graduate from Complutense University, Spain. He also holds a Degree in Executive Strategies from Harvard Business School.



Ghassan H. Shawli

Chief Legal Officer

Ghassan H. Shawli, ACWA Power's Chief Legal Officer, is a legal veteran with 19 years of experience in senior leadership roles with reputable companies.

Prior to joining ACWA Power, Mr Shawli was the Chief Legal Officer for the Diriyah Gate Development Authority, advising on legal affairs and overseeing the build-up and performance of the department. He has also held the role of Vice President of Legal Affairs for three years at The Saudi Arabian Airlines Cooperation as well as other senior positions at Saudi Aramco, cultivating deep sector expertise in the Kingdom.

Mr Shawli brings a wealth of experience as lead counsel on mega projects; mergers and acquisitions; corporate governance; and restructuring within various industries, with market cap sizes exceeding USD 20 billion dollars.

Mr Shawli is a certified New York State Bar attorney and holds a Jurisprudence Doctorate Degree from the Northwestern School of Law.



Rehan Baig

Chief Corporate Affairs and Sustainability Officer

Rehan Baig is the Chief Corporate Affairs and Sustainability Officer at ACWA Power.

He has more than 25 years of experience working across the globe in C-level, senior management, and board director positions, leading businesses in strategic and emerging growth markets in multiple sectors including renewable energy, FMCG, technology, retail, and communications. Prior to joining ACWA Power, Rehan spent several years in top level leadership positions of British American Tobacco, a FTSE 100 company with a market-leading position in more than 50 countries and operations in around 180. During his time at BAT, he was integral in strategy development, driving growth and leading teams in commercial MD roles across various geographies. Rehan was a member of the BAT Asia Pacific leadership team and headed Strategy and MandA. Rehan joined ACWA Power in January 2022 as a Senior Advisor to the Chairman before leading Corporate Affairs, Strategy, and Sustainability in an acting capacity. He also serves as an independent director on the board of Philip Morris Pakistan Ltd (listed on KSE) and is Chair of their Audit Committee. He is an advisor to several companies in the communication, technology and VC verticals.

Rehan holds a Bachelor's Degree in Economics and Political Science from McGill University, Canada. He has received Executive leadership and management level certification from IMD Switzerland in strategy, marketing, and leadership. He has a postgraduate in digital marketing from the IDM, UK. He is also a certified PICG independent director.



Simon Watson

Chief Health, Safety, Security and Environment Officer

Simon Watson is the Chief Health, Safety, Security and Environment Officer at ACWA Power. His dedication to enhancing organisational outcomes has led to substantial improvements in safety and sustainability, reflecting his impact across the various high-risk sectors he's navigated globally.

Beginning his corporate journey as a non-commissioned officer in the British Army, Simon honed leadership and operational skills that would become the foundation of his later successes in the corporate world. His military discipline seamlessly transitioned into corporate strategy, where he has since shaped and led HSSES initiatives with rigour and vision. At Wood, in the EMEA region, he held the pivotal role of Vice President of HSSES, managing a substantial team and PandL.

Simon's career has been marked by strategic roles. At Siemens Mobility and Thames Water his efforts have significantly reduced incidents and integrated sustainable practices into core business functions, thereby enhancing operational efficiency and compliance.

Simon holds an MBA along with a Degree in Health and Safety. Simon's commitment to continuous improvement is evident in his ongoing pursuit of professional development. This drive for knowledge complements his extensive practical experience, equipping him with a unique blend of expertise in both theory and application.

FURTHER DISCLOSURES

Remuneration

Remuneration Policy of the Board Directors, Board committees and Executive Management

In line with article (59) of the CGR issued by the CGR, the Company's Remuneration Policy of the Board of Directors, Board committees and Executive Management (the 'Remuneration Policy') has been developed and approved by the ordinary General Assembly, pursuant to the recommendation of the NRC and endorsement of the Board of Directors. The Remuneration Policy sets the amounts, rules and guidelines in which members of the Board of Directors, Board committees and Executive Management are to be remunerated with the aim of attracting and retaining the best talent to achieve the success of the Company and its long-term objective and mission while taking into consideration the Company's business environment.

General Remuneration Framework

As a general rule, any Remuneration payable by the Company to a member of the Board of Directors, Board committees and Executive Management must be in line with Applicable Legislation and shall be determined with the view of achieving the following objectives:

- to achieve the long-term success and development of the Company in line with its approved strategy and objectives;
- to be consistent with the size, nature and level of risks associated with the Company, and be within the boundaries of the Board's approved risk appetite for the Company;
- to meet the interests of the Company's shareholders;
- to ensure that the Remuneration is justifiable and is within the market benchmark of companies in similar sectors;
- to ensure coordination within the NRC in respect of future appointments;
- to ensure and maintain fairness and equality in terms of job level, duties and responsibilities, educational and professional qualifications, practical experience, skills and level of performance; and
- to reasonably incentivise and retain a talented workforce necessary for the Company to achieve its business goals.

The Company should also take into account the general criteria set out under the the CGR issued by the CMA and other Applicable Legislation relating to payment of Remuneration to Directors, which include:

- The Remuneration must be fair and proportionate to the Director's activities carried out and responsibilities assumed, in addition to the objectives set out by the Board to be achieved during the financial year;
- The Remuneration must be based on the recommendation of the NRC, for the endorsement of the Board and approval of the General Assembly;
- The level and composition of Remuneration should be sufficient and reasonable to attract and retain talented individuals to fill their respective roles;
- The Remuneration payable to Directors shall not be a percentage of the profits achieved by the Company nor be based on the profitability of the Company; and
- The Remuneration plans, policies or programmes, that must not be excessive in terms of what is standard practice, or which does not comply with the standards and rules set by the regulatory bodies in the Kingdom.

During the year, the remunerations paid to the Board of Directors, the Board Committee members and Executive Management as indicated in this report are in compliance with the Remuneration Policy.

Remuneration of the Board Directors as per the Remuneration Policy

1. Each Board member shall be paid a lump-sum amount of SAR 350,000 per year in consideration of his/her position as a Board member and his/her contribution to the Board's activities. The Board may propose, following a recommendation from the NRC, to amend this lump-sum amount subject to obtaining the General Assembly's approval.
2. Each Board member shall also be paid an amount of SAR 3,000 as an attendance fee per Board meeting, whether attended in person or through any remote channel. Board members delegating a proxy will not be entitled to receive this attendance fee.
3. Save as mentioned under point 5 opposite, the aggregate annual Remuneration payable to any Director shall not exceed the capped amount of SAR 500,000 per year as set formerly by the regulatory bodies in the Kingdom, and which may be amended from time-to-time.
4. The Company will reimburse the actual reasonable expenses incurred by a Director for attending Board and/or Board Committee meetings, including travel and accommodation expenses, in accordance with the Company's approved internal Travel and Expense Policy of the Members of the Board of Directors and Board committees.
5. A Director may receive additional Remuneration for his/her membership in the Board Audit Committee, any executive, technical, administrative or advisory work assigned to him/her independently by the Company.
6. At any given time, Board members shall not participate in discussions pertaining to their own Remuneration.
7. Board members may not vote on agenda item(s) relating to their Remuneration at the General Assembly meetings.

Paid remuneration and incurred expenses of the Board during the Year

The Board of Directors received a total remuneration, inclusive of fixed and variable remuneration, in their capacity as members of the Board of Directors and Board committees (if applicable) of SAR 3,511,294 for the year 2023.

#	Names	Fixed remunerations						Variable remunerations	Expenses Allowance
		Annual Remunerations	Attendance Fees	Annual Remunerations of The Board Serving on committees	Attendance Fees of The Board Serving on committees	Remunerations for technical, managerial and consultative work	Total [4]	Granted shares	Total
Independent Directors									
1	H.E. Mr Ahmed Alhakbani	305,000	9,000	–	–	–	314,000	–	–	–
2	Mr Esmail Alsallom	262,500	12,000	–	–	–	274,500	–	–	–
3	Dr Madelyn Antoncic	350,000	15,000	–	–	–	365,000	–	–	–
4	Mr Li Ping	350,000	15,000	–	–	–	365,000	–	–	–
Executive Directors									
5	Mr Paddy Padmanathan[1]	270,109	12,000	–	–	–	282,109	–	–	–
6	Mr Raad Al Saady[2]	–	–	–	–	–	–	–	–	–
Non-Executive Directors									
7	Mr Mohammad Abunayyan	262,500	12,000	–	–	–	274,500	–	–	–
8	Mr Omar Al-Midani	262,500	12,000	–	–	–	274,500	–	–	–
9	Dr Ibrahim Al-Rajhi	350,000	15,000	–	–	–	365,000	–	–	–
10	Mr Fahad Alsaif	271,000	9,000	–	–	–	280,000	–	–	–
11	Mr Omar Al-Madhi	262,500	12,000	–	–	–	274,500	–	–	–
12	Mr Abdullah AlRowais	350,000	15,000	–	–	–	365,000	–	–	–
13	Mr Abdullah AlAbduljabbar[3]	74,185	3,000	–	–	–	77,185	–	–	–
Total		**3,370,294**	**141,000**	–	–	–	**3,511,294**	–	–	–

[1] Mr Paddy Padmanathan served as an executive Board member from 01 January 2023 to 20 March 2023 and subsequently as a Non-Executive Board member from 21 March 2023 to 09 October 2023.

[2] Mr Raad Al Saady was appointed as a Vice-Chairman and of the Board of Directors, effective 16 February 2023. Mr Raad Al Saady received no remuneration in his capacity as an Executive Board member, and as per his employment contract, whereby he is only remunerated by the Company for his executive position as Managing Director of the Company.

[3] Mr Abduallah AlAbduljabbar was appointed as a Non-Executive Board member effective 15 October 2023.

[4] The remuneration paid to Board members also serving on the BEC is to the extent of the capped amount of SAR 500,000 as applicable.

Remuneration of the members of the Board committees

Without prejudice to Article 59(2) of the Corporate Governance Regulations which provides for the General Assembly to issue, upon a recommendation of the Board, a regulation which determines the remuneration of the Board Audit Committee:

1. Each Board Committee member will be paid an annual lump-sum amount as recommended by the NRC and approved by the Board for each Committee he/she is a member of. The specific lump-sum amounts to be paid to the Board Committee members is as follows:
   a. Audit Committee: SAR 175,000 per year
   b. Executive Committee: SAR 175,000 per year
   c. Risk Management Committee: SAR 150,000 per year
   d. Nomination and Remuneration Committee: SAR 150,000 per year
2. Each Board member who also serves as a member in any Board Committee shall receive a lump-sum amount in addition to the amounts he/she receives for his/her position as a Board Director or for any executive, technical, administrative or advisory work, assigned to him/her by the Company, considering the SAR 500,000 (with the exception of the members of the Board Audit Committee);
3. Each Board Committee member shall also be paid an amount of SAR 3,000 as an attendance fee per Board Committee meeting, whether attended in person or through any remote channel. The same amount is payable to any Director, who is not a Board Committee member, but who has been requested to participate at a Committee meeting, in accordance with the CGR. Committee members delegating a proxy will not be entitled to receive this attendance fee.

Paid Remuneration of the Board Audit Committee during the Year 2023

In 2023 there were ten (10) official BAC meetings held. The members of the Board Audit Committee received a total remuneration of SAR 1,016,000 in the given year.

Names	Fixed Remuneration (Except for the allowance for attending Committee meetings)	Allowance for attending Committee meetings	Total
Board Audit Committee Members			
1 Mr Khalid Rabiah	175,000	30,000	205,000
2 Mr Rasheed Al Rasheed	175,000	30,000	205,000
3 Mr Abdullah Al Rowais	175,000	30,000	205,000
4 Mr Li Ping	175,000	24,000	199,000
5 Mr Mike Cheng	175,000	27,000	202,000
Total	**875,000**	**141,000**	**1,016,000**

Paid Remuneration of the Board Executive Committee during the Year 2023

In 2023 there were twenty-two (22) official BEC meetings held. The members of the Board Executive Committee received a total remuneration of SAR 1,110,440 in the given year. The remuneration paid to Board members serving on the BEC is to the extent of the capped amount of SAR 500,000 as applicable.

Names	Fixed Remuneration (Except for the allowance for attending Committee meetings)	Allowance for attending Committee meetings	Total
Board Executive Committee Members			
1 Mr Mohammad Abunayyan	175,000	50,500	225,500
2 Mr Fahad AlSaif	175,000	45,000	220,000
3 Mr Omar Al-Madhi	175,000	38,940	213,940
4 Mr Omar Al-Midani	175,000	50,500	225,500
5 Mr Esmail Alsallom	175,000	50,500	225,500
Total	**875,000**	**235,440**	**1,110,440**

Paid Remuneration of the Nomination and Remuneration Committee during the Year 2023

In 2023 there were twelve (12) official NRC meetings held. The Nomination and Remuneration Committee received a total remuneration of SAR 929,593 in the given year. The remuneration paid to Board members serving on the NRC is to the extent of the capped amount of SAR 500,000 as applicable.

Names	Fixed Remuneration (Except for the allowance for attending Committee meetings)	Allowance for attending Committee meetings	Total
Nomination and Remuneration Committee Members			
1 H.E. Mr Ahmed Alhakbani	150,000	36,000	186,000
2 Mr Johan Brand[1]	141,033	33,000	174,033
3 Mr Tariq Alamoudi	150,000	36,000	186,000
4 Mr Ahmad Al-Ghamdi	150,000	36,000	186,000
5 Ms Aseel Albarqawi	150,000	36,000	186,000
6 Mr Omar Al-Madhi[2]	8,560	3,000	11,560
Total	**749,593**	**180,000**	**929,593**

Paid Remuneration of the Risk Management Committee during the Year 2023

In 2023 there were five (5) official RMC meetings held.The Risk Management Committee received a total remuneration of SAR 789,000 in the given year. The remuneration paid to Board members serving on the RMC is to the extent of the capped amount of SAR 500,000 as applicable.

Names	Fixed Remuneration (Except for the allowance for attending Committee meetings)	Allowance for attending Committee meetings	Total
Risk Management Committee Members			
1 Mr Guy Richelle	150,000	15,000	165,000
2 Mr John Walker	150,000	12,000	162,000
3 Mr Ayman Elariss	150,000	12,000	162,000
4 Mr David Dew	150,000	15,000	165,000
5 Dr Madelyn Antoncic	126,000	9,000	135,000
Total	**726,000**	**63,000**	**789,000**

Remuneration of the Executive Management

1. The Remuneration payable to members of the Executive Management shall be recommended by the NRC and approved by the Board in accordance with the relevant employment contracts and internal policies.
2. The nature and classes of benefits applicable to the Executive Management, as well as the KPIs used to determine and recommend their Remuneration, shall be periodically reviewed by the NRC and approved by the Board.
3. The Company may offer the Executive Management variable Remuneration that is market-informed and subject to the fulfilment of pre-defined performance goals, whether short-term or long-term.
4. Such variable Remuneration plans shall be subject to the recommendation/endorsement of the NRC and the approval of the Board.

[1] Mr Johan Henri Brand voluntarily resigned from the NRC on 10 December 2023.
[2] Mr Omar Al-Madhi was appointed by the Board of Directors as a member of the NRC on 11 December 2023.

Senior Executives' Remuneration during the Year 2023

The aggregate remuneration paid to the Company's five highest paid Senior executives (including the MD, CEO and CFO) including salaries, benefits and allowances during the year 2023 are set out in the table opposite.

All amounts are in SAR		
Fixed remuneration	Salaries	12,545,185
	Allowances	6,385,667
	In-kind benefits	–
	Total	**18,930,852**
	Periodic remunerations	–
Variable remunerations	Profits	–
	Short-term incentive plan[1]	8,311,241
	Long-term incentive plan[2]	10,609,162
	Granted Shares	–
	Total	**18,920,403**
End-of-service award In SAR[3]		895,509
Total remuneration for Board executives if any		–
Aggregate amount[4]		**38,746,764**

Declarations based on the Corporate Governance Regulations ('CGR') issued by the Capital market Authority ('CMA') of the Kingdom of Saudi Arabia

Non-implemented provisions of the CGR

The Company has implemented all applicable mandatory provisions contained in the Corporate Governance Regulations issued by the CMA, except the provisions noted below. As at 31 December 2023, it is anticipated the CGR will be subject to further amendments as a result of the issuance of the new Companies Law which may impact the following provisions:

Article No.	Provision of the Article	Reason and remedial action
Article 39 (b)	Procedures of Board performance assessment shall be in writing and clearly stated and disclosed to the Board members and parties concerned with the assessment.	This is a guiding note. Despite there is no written disclosed process, the Company performs the assessment periodically.
Guiding Article 51 Paragraph (c) and (d)	The Chairman of the Audit Committee shall be an Independent Director. Half of the Audit Committee's members must be Independent Directors or from those on whom the issues affecting independence in Article (19) of this Regulation do not apply.	This is a guiding article. The Chairman of the Audit Committee is not a Director yet he satisfies other independency criteria and possess relevant expertise and required knowledge for the role. Two out of five members of the Board Audit Committee are not impacted by the issues impacting independence.
Article 67	RMC Chairman and majority of its members shall be Non-Executive Directors.	This is a guiding article. Although the Chairman and majority of members are not Directors, they are Non-Executives with relevant expertise and required knowledge.
Article 84	The Ordinary General Assembly shall, upon the proposal of the Board of Directors, develop a policy to ensure having a balance between its objectives and the objectives the society aspires to achieve, with a view to develop the society's social and economic conditions.	This is a guiding article. However, the Company established a social responsibility policy that has been approved by the Board.
Article 85 (1)	The Board of Directors develops programmes and identifies the methods necessary to launch the Company's initiatives in the social work field, including: 1. Developing measurement indicators linking the Company's performance to its social action initiatives and comparing it with other companies exercising similar activity.	This is a guiding article. The Company continuously participates in various social activities and carries out social initiatives aimed at developing the social and economic conditions in the communities we operate in.

[1] Bonuses (STIP) given in the table are for 2022 paid in 2023.
[2] Includes the retired CEO full LTIP payout as per policy.
[3] End of service accruals related to 2023 based on the law of the land.
[4] Newly appointed CEO's remuneration from the date of appointment is part of the data along with retired CEO emoluments.

Declarations on the non-applicable provisions that must be mentioned under Article 87 of the CGR:

The Board of Directors of the Company declare the following:

- Article 87 (9): there are no punishments, penalty, precautionary procedure or preventive measure imposed on the Company by the Authority or any other supervisory, regulatory or judiciary authority.
- Article 87 (12): there are no recommendations of the BAC, which is conflicted with the Board's decisions, or which the Board has refused to take on the appointment and removal of the Company's auditor, the determination of its fees, the evaluation of its performance or the appointment of the internal auditor, the reasons for those recommendations, and the reasons for not adopting them.
- Article 87 (21): there is no inconsistency with the standards approved by the Saudi Organisations for Certified Public Accountant 'SOCPA'.
- Article 87 (25): there is no interest in a class of voting shares held by persons (other than the Company's Directors, Senior Executives and their relatives) who have notified the Company of their holdings pursuant to Article 85 of the Rules on the Offer of Securities and Continuing Obligations.
- Article 87 (26): there are no interests, contractual securities or rights issue of the Board members, Senior Executives and their relatives on shares or debt instruments of the Company or its affiliates.
- Article 87 (28): there are no convertible debt instruments, contractual securities, pre-emptive right or similar rights issued or granted by the Company during the fiscal year 2021.
- Article 87 (29): there are no conversions or subscription rights under any convertible debt instruments, contractually based securities, warrants or similar rights issued or granted by the Company.
- Article 87 (30): there is no redemption, purchase or cancellation by the Company of any redeemable debt instruments.
- Article 87 (35): there is no arrangement or agreement under which a Director or a senior Executive of the Company has waived any remuneration.
- Article 87 (36): there is no arrangement or agreement under which a shareholder of the Company has waived any rights to dividends.
- Article 87 (38): there are no investments made or any reserves set up for the benefit of the employees of the Company as at 31 December 2023.
- Article 87 (40): the External Auditor's report for the year ended 31 December 2023, did not contain any reservations on the financial statements of the Company for the year then ended.
- Article 87 (41): there was no recommendation to replace the external auditor before the end of its term.

The Board of Directors of the Company hereby declares that:

- The accounting records were properly prepared;
- The system of internal control is sound in design and has been effectively implemented; and
- There are no doubts on the Company's ability to continue business.

Related Party transactions including those which a Director of the Company, a Senior Executive or any person related to any of them is or was interested

The Company enters into a number of related party transactions to support its ordinary course of business as it pertains to its field and industry. All related party contracts are on an arm's-length basis and contain no preferential terms and conditions.

During the course of 2023 the Company entered into a total of eight (8) transactions of which seven (7) are related party transactions for ACWA Power.

The supporting documents for each transaction were meticulously examined. All the Related Party Transactions were formally presented to the BAC for thorough assessment and subsequent approval.

In order to maintain full transparency with respect to such transactions, the Company is listing related party transactions of 2023[1] as set out below:

Agreements and Transactions with Toray Membrane Middle East LLC ('TORAY')

Transaction#1: The business and contracts concluded between the Company and Toray Membrane Middle East LLC ('TORAY'), in which the Chairman of the Board of Directors, Mr Mohammad Abdullah Abunayyan, has an indirect interest. These businesses and contracts include the signing of a memorandum of understanding ('MoU') for joint research on energy operation and provision techniques for one of the factories of the Company's subsidiary projects. There are no preferential terms in these businesses and contracts. These business and contracts are considered a transaction with a related party.

Agreements and Transactions with Saudi National Bank

Transaction#2: The business and contracts concluded between the Company and Saudi National Bank ('SNB'), in which the member of the Board of Directors, Mr Abdullah Al-Rowais, has an indirect interest. These businesses and contracts include financing for the construction and development of a water desalination plant owned by the Company, with an amount of 250,000,000 (two hundred and fifty million) US dollars. This Consortium of local and international banks (Standard Chartered Bank, Saudi National Bank, Riyad Bank, Saudi Investment Bank, and Bank of China), with limited to ACWA Power equity commitment, and the financing period is up to 27 years and five months. There are no preferential terms in these businesses and contracts. These businesses and contracts are considered a transaction with a related party.

Transaction#3: The business and contracts concluded between the Company and Saudi National Bank ('SNB') in which the member of the Board of Directors, Mr Abdullah Al-Rowais, has an indirect interest. These businesses and contracts include a long-term financing consortium to one of the Company's subsidiary projects, with an amount of 330,000,000 (three hundred thirty million) US dollars. This consortium includes local, regional, and international banks (Banque Saudi Fransi, First Abu Dhabi Bank, Mizuho Bank, Riyad Bank, Saudi National Bank, Standard Chartered Bank, and Saudi Investment Bank). The financing period is 32 years and nine months. There are no preferential terms in these businesses and contracts. These business and contracts are considered a transaction with a related party.

Transaction#4: The business and contracts concluded between the Company and Saudi National Bank ('SNB') in which the member of the Board of Directors, Mr Abdullah Al-Rowais, has an indirect interest. These businesses and contracts include providing a corporate guarantee (parent company guarantee) to ('SNB') to support the Equity Bridge Loan ('EBL') facility provided to the company's subsidiary projects, with an amount of 100,000,000.00 (one hundred million) US dollars. The period of the Equity Bridge Loan is 7 years. There are no preferential terms in these businesses and contracts. These business and contracts are considered a transaction with a related party.

[1] Transactions entered into between First National Holding Company (NOMAC), a 100%-owned subsidiary, and related parties of the Company are not included in this report.

Transaction#5: The business and contracts concluded between the Company and Saudi National Bank ('SNB') in which the member of the Board of Directors, Mr Abdullah Al-Rowais, has an indirect interest. These businesses and contracts include an investment in the issuance of ACWA Power Sukuk in its second phase, with an amount of 150,000,000 one hundred and fifty million Saudi Riyals. The investment period is 7 years. There are no preferential terms in these businesses and contracts. These business and contracts are considered a transaction with a related party.

Agreements and Transactions with Al Rajhi Bank

Transaction#6: The business and contracts concluded between the Company and Al Rajhi Bank in which the member of the Board of Directors, Dr Ibrahim Al Rajhi, has an indirect interest. These businesses and contracts include an investment in the issuance of ACWA Power Sukuk in its second phase, with an amount of 360,000,000 (three hundred and sixty million) Saudi Riyals. There are no preferential terms in these businesses and contracts.

Agreements and Transactions with Water and Environment Technologies Company ('WETIC')

Transaction#7: The business and contracts concluded between the Company and Water and Environment Technologies Company ('WETIC'), in which the Chairman of the Board of Directors, Mr Mohammad Abdullah Abunayyan, has an indirect interest. These businesses and contracts include the signing of a service agreement for one of the Company's subsidiary projects, with an amount of 10,000,000 (ten million) US dollars. There are no preferential terms in these businesses and contracts. These business and contracts are considered a transaction with a related party.

Agreements and Transactions with Regional Voluntary Carbon Market Company

Transaction#8: The business and contracts concluded and will be concluded between the Regional Voluntary Carbon Market Company – an affiliate of the Public Investment Fund ('PIF') in which the member of the Board of Directors, Mr Fahad Al-Saif, and the member of the Board of Directors, Mr Omar Al-Madi, have an Indirect interest. These businesses and contracts include the signing of a carbon credit purchase agreement with an amount of 373,952.80 (three hundred and seventy-three thousand nine hundred and fifty-two US dollars and eighty cents). There are no preferential terms in these businesses and contracts. These business and contracts are considered a transaction with a related party.

Competing business with the Company or any of its activities that a member of the Board is/was engaging in

There was no competing interest reported during the year 2023.

Shareholders

Ownership

As at 31 December 2023, the Company had issued and paid-up share capital of SAR 7,310,997,290 consisting of 731,099,729 shares of SAR 10 par value per share. Below are the substantial shareholders of the Company as at 31 December 2023, with an ownership of 5% or more of the issued shares:

Shareholder	Number of shares	Ownership %
The Public Investment Fund	322,881,439	44.16%
Vision International Investment Company	166,320,184	22.74%

Ownership of Board members and Senior Executives

Below illustrates shares of the Company held by Board members as at 31 December 2023 and any changes to their holding during 2023. There were no arrangements by which any of the Board members waived any salary compensation.

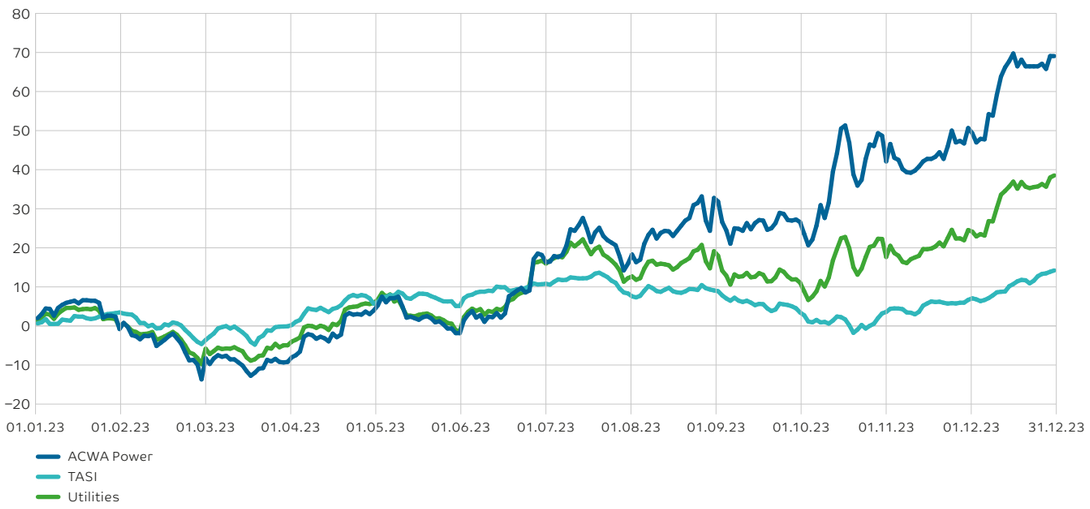
Name of Director	Number of shares		Ownership %	Change
	December 31, 2023	January 1, 2023		
Mr Mohammad Abunayyan	26,651,452	26,651,452	3.65%	–
Dr Ibrahim Al-Rajhi	239,707	239,707	<0.1%	–
Mr Esmail Alsallom	1,000	1,000	<0.1%	–
H.E. Mr Ahmed Alhakbani	32	32	<0.1%	–

General Assembly Meetings

During the year 2023, the Company held two (2) General Assembly meetings. All meetings were attended by the Chairman and members of the Board of Directors, with absentees as noted in the table below.

Meeting	Date	Board member absentees
Extraordinary General Assembly	February 12, 2023	Mr Omar Al-Midani
Extraordinary General Assembly	June 22, 2023	Mr Li Ping

Share Price Performance during 2023



Dividend Policy

Pursuant to Article 9(c) of the CGR, each Shareholder acquires the rights attached to the Company's Shares, including the right to receive a portion of the dividends declared. The declaration and payment of any dividends will be recommended by the Board before being approved by the shareholders at a General Assembly meeting. The Company is under no obligation to declare a dividend and any decision to do so will depend on, amongst other things, the Company's historic and anticipated earnings and cash flow, financing and capital requirements, market and general economic conditions, the Company's zakat position as well as legal and regulatory considerations. The distribution of dividends is subject to restrictions under financing agreements and any other project agreements to which the Company is a party from time-to-time (noting that as at 31 December 2023, there are no restrictions on the distribution of dividends according to the agreements entered by the Company), as well as certain limitations contained in the By-laws (please refer company website for the By-laws). If declared, dividends will be paid in Saudi Riyals.

According to Article 51 of the By-laws, the Company's annual net profits shall be allocated, after deducting all general expenses and other costs, and after setting aside the reserves necessary to cover the investment losses and obligations, as deemed necessary by the Board, as follows:

- zakat amounts payable by the Shareholders will be calculated and paid by the Company to the relevant authorities;
- following the zakat deductions, 10% will be set aside for the statutory reserve, provided that the General Assembly may stop such allocation once the statutory reserve reaches 30% of the Company's paid-up share capital;
- the General Assembly may, upon the Board's recommendation, set aside 1% of the net profits for the Company's voluntary reserve(s) established for specific purposes;
- the General Assembly may establish other reserves provided it is in the interest of the Company or it guarantees to the extent possible distribution of fixed dividends to the Shareholders. The General Assembly may also set aside certain amounts to establish or contribute to social union corporations for the Company's employees;
- following the above, dividends will be distributed to the Shareholders in an amount not less than 1% of the Company's paid-up share capital. Also, the General Assembly may, upon the Board's recommendation and as it sees fit, distribute further dividends; and
- if the Company suffers losses, such losses may be carried forward to the following financial year and no profits shall be distributed until the losses are completely recovered.

For 2023, the Board of Directors resolved to recommend to the General Assembly cash distribution of SAR 0.45 per share and non-cash bonus share distributions of 1 share for every 500 shares owned. The hybrid distribution took into consideration the Company's position in optimising its cash utilisation for growth.

On 28 February 2024, the Board of Directors approved a dividend payment of SAR 329.0 million (SAR 0.45 per share) for the year 2023, payable during 2024. The proposed dividends are subject to approval of the shareholders at the General Assembly meeting.

The Board of Directors, through circulation on 28 February 2024, also recommended to increase the Company's capital by granting bonus shares to the Company's shareholders through capitalisation of SAR 14.6 million from the retained earnings by granting 1 share for every 500 shares owned. The bonus share issuance is subject to approval of the shareholders at the General Assembly meeting.

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

The declared dividends of SAR 560 million for 2021 were approved by the shareholders at the ordinary General Assembly of 30 June 2022 and paid on 21 July 2022.

The table below sets out a summary of the dividends declared by the Company during the financial years ending 31 December 2021, 2022, and 2023, along with the ratio of dividends to the net profit attributable to the equity holders of parent:

SAR '000	2023	2022	2021
Dividend declared	328,995	606,813	560,000
Net profit attributable to equity holders of parent	1,661,714	1,540,035	758,798
Distribution %	20%	39%	74%

Number of requests by the Company of the Shareholders records in 2023

No.	Date of Request	Purpose
1	03-Jan-23	Shareholder Analysis
2	12-Feb-23	General Assembly
3	14- Mar-23	Shareholder Analysis
4	16-May-23	Shareholder Analysis
5	22-Jun-23	General Assembly
6	03-Jul-23	Dividend entitlement
7	09-Jul-23	Shareholder Analysis
8	27-Aug-23	Shareholder Analysis
9	23-Oct-23	Shareholder Analysis
10	26-Dec-23	Shareholder Analysis
11	26-Dec-23	Shareholder Analysis
12	26-Dec-23	Shareholder Analysis

Description of the main scope of business of the Company and its affiliates. If there are two or more, a statement showing each activity and how it affects the Company businesses and results shall be attached

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

On 11 October 2021, following a landmark Initial Public Offering ('IPO'), the Company successfully listed on the Saudi Stock Exchange ('Tadawul').

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, offtaker contracts under utility services outsourcing models in the Kingdom of Saudi Arabia and internationally.

Description of the Company's significant plans and decisions (including changes to the structure, expanding the Company's operations or halting them) and the future expectation

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. Adding new projects or partial or full disposal of its existing businesses is ordinary course of business for the Company.

The Company recently announced its plan to triple its assets under management to USD 250 billion by 2030 as part of its new growth strategy. Further details on the new growth strategy will be disclosed in integrated annual report of 2023 due to be published in April 2024.

Society/Local communities

ACWA Power contributes to the communities in which it operates notably through supporting local content and driving community impact.

Supporting local content

The Company is committed to supporting and implementing local content across all project types during construction and operation. This requires the inclusion and development of local suppliers, and local employment and training.

ACWA Power exceeded local content targets required in the Kingdom for its projects under construction and strives to continue this track record in the projects under construction and in operation.

Approximately 60% of ACWA Power's active projects are located in the Kingdom. The estimated local content score for ACWA Power in the Kingdom in 2023 is around 48%. This covers local content across goods and services, labour, training, RandD and depreciation in the Kingdom.

ACWA Power 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.

Stimulating the Kingdom's ingenuity

We continue to support the considerable potential of Saudi youth to originate progressive and sustainable ideas. To highlight the efforts of the next generation of innovators, 'The power is Within You' is an initiative which includes an incubation programme designed to help develop winning ideas, using a dedicated training and mentoring process.

The programme empowers youth in the Kingdom to create, ideate and innovate in the power and water sectors. It is part of ACWA Power's drive to achieve the renewable energy goals set out in Vision 2030 and builds on our successful track record of utilising cutting-edge technology to transform operations.

Our community initiatives under the Company's Corporate Social Responsibility ('CSR') programmes

ACWA Power has always considered itself to be an integral member of the communities in which it operates. We prioritise community engagement and address the most pressing issues our communities face with relevant CSR programmes. We are fully committed to community development, social responsibility and supporting sustainable livelihoods.

We channel resources to CSR initiatives wherever we operate – whether mandated by the terms of our agreements or not – and encourage our business units operating in diverse locations to factor CSR considerations into their operations. When launching CSR initiatives, due consideration is given to the diversity of regional cultures, values and customs.

Social contribution

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 project is the Energy and Water Academy, formerly named Higher Institute for Water and power Technologies (HIWPT); the Company 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.

ACWA Power has also sponsored Shirin College in Uzbekistan to develop a training and education programme in renewable energy.

ACWA Power has sponsored other such educational initiatives in countries including Oman, South Africa, Turkey, Egypt and Morocco.

Beyond education and training, the Company has supported other community initiatives, for example, the work of the Emirates Marine Environmental Group (EMEG), which is protecting the marine habitat along the Hassyan coastline.

CSR spending

The Company prioritises education and employability in the Kingdom and Uzbekistan with EWA and Shirin College, respectively, and focuses on community development in Morocco and South Africa.

During the year 2023, the Group contributed SAR 10.4 million[1] (2022: SAR 18.4 million) in various countries including Saudi Arabia primarily to support education and related infrastructure.

In addition to this, the Group has a commitment to contribute SAR 75.0 million towards corporate social responsibility initiatives in Uzbekistan.

Tree planting in 2023

ACWA Power undertook a five-year strategic initiative back in 2022 in line with the Saudi Green Initiative to plant 10 billion trees across Saudi, to establish a nursery plant to produce 1,000,000 seedlings and distribute them to various beneficiary entities such as the Government and private sectors for a total budget of SAR 1.6 million. 200,000 trees were planted during 2023 as part of it's initiative.

In addition to the above, ACWA Power has planted over 8,200 trees in Morocco, UAE and Jordan during 2023.

→ Further details will be disclosed as part of the 2023 Integrated Annual Report due to be published in April 2024

[1] SAR 10.4 million represents the total CSR spending as reported in the 2023 year-end consolidated financial statements of the Company and does not include the total CSR spending for JV's and associates.

Risk

The Board has established the control environment, approved the risk appetite statement, risk management policy, and delegated oversight responsibilities under the Enterprise Risk Management (ERM) framework to the Board's Risk Management Committee.

ACWA Power together with its subsidiaries, joint ventures and affiliates (the 'Group') adopted comprehensive, state-of-the-art approach to risk management that follows the principles and methodology of the ISO 31000 guidance standard. Most of the Group's managed risks are related to the different phases of its business model of developing, investing in, operating, and optimising the power generation, water desalination and green hydrogen production assets, encompassing a full lifecycle of such assets.

The Group promotes a strong culture of risk management, combined with an approved risk framework that effectively supports appropriate risk awareness, behaviours and risk-based decision-making. In accordance with the Group's risk management framework, we have developed specific responsibilities, tools and guidance, and systematically assess, mitigate, monitor risks at corporate level and during development, construction, and operation phase of projects to manage all relevant identifiable risks effectively.

Business Development

All business development projects go through a gated approval process by the Management Investment Committee and the Board Executive Committee. Project-related market, technical, legal and financial risks are reviewed for the required risk adjusted return. An additional step has been introduced in the approval process for peer risk review, where the risk Management Team independently reviews the evaluated risks. Residual risks are summarised in the form of a risk matrix with potential mitigations. Sensitivities are analysed 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 Risk Management Committee and the Board. This process is applied for all investments (greenfield and acquisitions), divestments and changes in offtake agreements, if and when applies.

Portfolio Management

The Group focuses on developing scalable investment platforms and maintaining a portfolio with a technologically and geographically diversified asset base. As our portfolio risk landscape continues to evolve, the risk management function is involved to ensure identifying, assessing, and constantly monitoring potential threats and opportunities that we could face to remain resilient on projects under construction as well as assets under operation. For our projects under construction, we remain actively engaged with our EPC contractors and encourage them to assess risks financially (by quantifying the potential risk), through schedule, quality, health and safety, and reputation. This gives more insight to the portfolio team to understand and act accordingly.

Operations and Maintenance

The Group uses centralised expertise via NOMAC, a 100%-owned O&M subsidiary of ACWA Power, to optimise the operation and maintenance of our fleet of assets diversified in technology and geography and ensure 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 through robust operational and maintenance procedures including digitalised condition monitoring and prediction; and 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.

→ Further details will be disclosed as part of the 2023 Integrated Annual Report due to be published in April 2024

Material differences in the operational results compared to the preceding year's results, along with any expectations announced by the Company

The Operating income before impairment loss and other expenses for the year 2023 was

SAR 2,984 million

and 14%, or SAR 369 million, higher than SAR 2,615 million in 2022.

Reported Net Profit for 2023 was

SAR 1,662 million

and 7.9%, or SAR 122 million, higher than SAR 1,540 million in 2022.

There were no expectation of the operational results announced by Company.

For further details, please refer to the 2023 year-end results published on Tadawul on 29 February 2024 Tadwaul Announcement, as well as the Investor Report published on the Company's Website Investor Report

Financial Information[1]

Summarised consolidated statement of financial position

	As at December 31				
All amounts in thousands SAR	**2023**	**2022**	**2021**	**2020**	**2019**
Total assets	**55,018,314**	**48,845,920**	**45,708,698**	**36,260,987**	**37,721,283**
Total liabilities	**34,309,423**	**28,817,526**	**31,388,553**	**28,860,832**	**27,115,906**
Net assets (total equity)	**20,708,891**	**20,028,394**	**14,320,145**	**7,400,155**	**10,605,377**

Summarised consolidated statement of cash flows

	As at December 31				
All amounts in thousands SAR	**2023**	**2022**	**2021**	**2020**	**2019**
Net cash generated from operating activities	3,344,899	2,911,367	3,201,179	1,875,411	1,595,616
Net cash used in investing activities	(8,408,417)	(2,361,616)	(5,923,870)	(1,349,576)	(2,867,275)
Net cash from/(used in) financing activities	3,758,123	425,554	7,061,204	(2,491,482)	(1,428,291)

[1] Financial information has been extracted from the audited consolidated financial statements and underlying notes to the financial statements of ACWA Power for the respective years. For further details and references, kindly refer to the audited financial statements for the years 2023, 2022, 2021 and 2020 available on ACWA Power's Investor Relations website https://www.acwapower.com/en/investor-relations/results-reports-and-presentations/results-and-reports/

Summarised consolidated statement of income

	Year ended December 31				
All amounts in thousands SAR	**2023**	**2022**	**2021**	**2020**	**2019**
Revenue	6,095,010	5,275,930	5,235,393	4,829,111	4,114,999
Operating costs	(2,599,830)	(2,410,582)	(2,383,677)	(2,301,362)	(2,028,804)
Gross Profit	**3,495,180**	**2,865,348**	**2,851,716**	**2,527,749**	**2,086,195**
Operating income before impairment loss and other expenses	**2,983,785**	**2,614,761**	**2,302,718**	**1,948,990**	**1,842,097**
Profit before Zakat and income tax	**1,835,008**	**1,492,147**	**888,344**	**831,639**	**399,746**
Zakat and tax credit/(charge)	(53,731)	(232,841)	(80,110)	50,950	(74,008)
Profit/(loss) from discontinued operations including loss recognised on assets held for sale	(9,948)	217,104	(64,326)	19,798	554,345
Profit/(loss) for the year	**1,771,329**	**1,476,410**	**743,908**	**902,387**	**880,083**
Profit/(loss) attributable to equity holders of the parent	**1,661,714**	**1,540,035**	**758,798**	**882,568**	**1,173,865**

Information on ACWA Power's total indebtedness as at December 31, 2023, is as follows:

All amounts in thousands SAR

Financing type	Amount at the beginning of the year	Financing period	Net drawdown/ (repayment)	December 31, 2023	Maturity date
Financing facilities in relation to projects	18,454,701	1 to 22 years	19,714	18,474,415	2024–2045
Revolving Corporate Murabaha Facility	1,130	2-5 years	374	1,504	2028
Corporate bond	2,790,991	5 to 7 years	1,795,322	4,586,313	2028
APMI One bond	1,527,250	16 years	(8,744)	1,518,506	2039
APCM bond[2]	598,510	21 years	(16,238)	582,272	2044
	23,372,582			**25,163,010**	

Classification of Funding

Classification	2023 (SAR '000)	2022 (SAR '000)
Recourse debt	7,936,400	5,733,461
Non-recourse debt	17,226,610	17,639,121
Short-term financing facilities	316,876	275,100
Total	**25,479,886**	**23,647,682**

[2] Project level bond.

Geographic Analysis of the Group's revenue from continuing operations

The Company is headquartered in the Kingdom of Saudi Arabia. The geographical concentration of the Group's revenue is shown opposite:

	Revenue from continuing operations	
	2023 (SAR '000)	2022 (SAR '000)
Kingdom of Saudi Arabia	3,086,557	2,476,181
Middle East and Asia	2,358,099	2,496,592
Africa	650,354	303,157
	6,095,010	**5,275,930**

Debt Instruments issued by the Company and Company's subsidiaries

On 14 June 2021, the Group issued an Islamic bond (Sukuk) amounting to SAR 2,800.0 million at par (sak) value of SAR 1 million each, without discount or premium. Further, on 2 February 2023, the Group completed the issuance of SAR 1,800 million Sukuk under its SAR 5,000 million Sukuk issuance programme. The Sukuk issuance bears a return based on Saudi Arabia Interbank Offered Rate ('SIBOR') plus a pre-determined margin payable quarterly in arrears. The Sukuk will be redeemed at par on its maturity i.e., seven years from the date of the issuance with a call option (only on the second tranche) effective on or after five years from the issuance date.

APCM bond ('the Notes') was issued during 2021 with an aggregate principal of USD 166.2 million. The Notes carry an interest at 3.7% per year and the principal repayments in semi-annual instalments from 31 May 2021, with final instalment due on 27 May 2044. The Notes were issued to refinance an existing long-term facility of one of the Group's wholly-owned subsidiary, Shuaibah Two Water Development Project ('Shuaibah II').

In May 2017, the Group (through one of its subsidiaries, APMI One) issued bonds with an aggregate principal of USD 814.0 million. The bonds carry a fixed rate of interest at 5.95% per year due for settlement on a semi-annual basis. The bonds' principal is due to be repaid in semi-annual instalments commencing from June 2021, with the final instalment due in December 2039. The bonds are collateralised by cash flows from certain equity accounted investees and subsidiaries of the Group. During the year ended 31 December 2022, ACWA Power has partially bought back bonds amounting to USD 400.7 million (equivalent to SAR 1,502.7 million) at a discount. The Group has recognised a gain of SAR 74.8 million in the year ended 31 December 2022 on the buyback which is net of the proportionate share in the unamortised transaction cost in relation to the bond's issuance. The gain is presented within the other income (refer note 29.1 of the Company's 2023 audited consolidated financial statements).

Borrowings by project companies are primarily secured against underlying assets (i.e., plant, machinery and equipment – note 5 of the Company's 2023 audited consolidated financial statements) of the respective project companies, except borrowings that are with recourse to the Group amounting to SAR 3,348.6 million as at 31 December 2023 (31 December 2022: SAR 2,941.3 million).

Statutory Amounts Paid and Payable

Statutory amounts paid[1]

All amounts in thousands SAR unless other wise stated	Reasons for amounts paid	Year ended December 31, 2023	Year ended December 31, 2022
Income taxes and zakat	Income taxes and zakat calculated in accordance with Tax Regulations in the various jurisdictions in which the Group operates. See Note 20 of the 2023 consolidated financial statements of the Company.	183,509	101,080

Statutory amounts payable[1]

All amounts in thousands SAR unless other wise stated	Reasons for amounts payable	As at December 31, 2023	As at December 31, 2022
Income taxes and zakat	Government obligation, payable on an annual basis	194,095	236,786

[1] Statutory amounts paid and payable are in respect of the Group.

ACWA POWER COMPANIES

No.	Name of Subsidiary	Country of Incorporation	Scope of business	CCY	Capital	Direct Interest (%)	Indirect Interest (%)[1]
1	ACF Renewable Energy Ltd.	Malta	Holding co.	EUR	1,200.00	0.00%	42.00%
2	ACWA Power Bash Wind Proj. Holding Co. Ltd	United Arab Emirates	Holding co.	USD	25,000.00	0.00%	100.00%
3	ACWA Power Bash 2 Wind Holding Company Limited	United Arab Emirates	Holding co.	USD	25,000.00	0.00%	100.00%
4	ACWA Benban One for Energy	Egypt	Investment	EGP	150,000,000.00	0.00%	32.81%
5	ACWA Power Bokpoort Holding	South Africa	Company responsible for holding shares and making Shareholder Decisions in ACWA Power SolAfrica Bokpoort CSP	ZAR	406,403,998.00	0.00%	51.00%
6	ACWA Gharib One for Energy	Egypt	Investment	EGP	150,000,000.00	0.00%	100.00%
7	ACWA Gharib Two for Energy	Egypt	Investment	EGP	150,000,000.00	0.00%	100.00%
8	ACWA Guc IŞLETME VE YÖNETİM SANAYİ VE TİCARET ANONiM ŞİRKETİ	Turkey	Generation and Sale of Electricity	TRY	2,258,492,025.00	0.00%	69.60%
9	ACWA Power Harbin Holdings Limited	United Arab Emirates	Holding co.	AED	100,000.00	0.00%	55.00%
10	ACWA Industrial Investment Company – One Person Co	Saudi Arabia	Manufacturer of electrical parts and equipment	SAR	50,000.00	100.00%	0.00%
11	ACWA Power Africa Holdings Pty. Ltd.	South Africa	Company that is responsible for holding shares in the holding companies of those projects that are shared with Silk Road Fund	ZAR	371,118,603.29	0.00%	51.00%
12	ACWA Power Al Dur II Holding Company WLL	Bahrain	Holding co.	BHD	5,000.00	0.00%	100.00%
13	ACWA Power Asia Holdings Pte. Ltd.	Singapore	Other holding companies; Investment holding company in South East Asia	USD	1.00	0.00%	100.00%
14	ACWA Power Azerbaijan Project Holding Co	United Arab Emirates	Holding co.	USD	25,000.00	0.00%	100.00%
15	ACWA Power Azerbaijan Renewable Energy LLC	Azerbaijan	Development, investment and construction of electric power plants	AZN	100.00	0.00%	100.00%
16	ACWA Power BAHRAIN HOLDINGS WLL	Bahrain	Holding co.	USD	4,915,000.00	99.73%	0.27%
17	ACWA Power Barka Project TSA Company	Mauritius	Provision for operations and maintenance services. The principal activity of the Company is to provide technical advisory services to ACWA Power Barka Project LLC and First national Company for Operation and Maintenance Services LLC (NOMAC). both companies incorporated and registered in the Sultanate of Oman	USD	1,000.00	0.00%	100.00%
18	ACWA Power Barka Projects LLC	Oman	To develop, finance, design, construct, operate, maintain, insure and own a power-generating station and water desalination plant and associated gas interconnection facilities and other relevant infrastructure	OMR	49,206,617.00	0.00%	72.25%
19	Barka Water and Power SAOG	Oman	The principal activities of the Company are to develop, finance, design, construct, operate, maintain, insure and own a power-generating station and water desalination plant and associated gas inter-connection facilities and other relevant infrastructure	OMR	16,000,000.00	0.00%	41.90%
20	ACWA Power Barka Services (1) Mauritius Limited	United Arab Emirates	Provide technical advisory and operational, maintenance and administrative support services to ACWA Power Barka S.A.O.G. a power and water desalination. generator in the Sultanate of Oman	USD	10,000.00	0.00%	86.19%
21	ACWA Power Barka Services (2) Mauritius Limited	United Arab Emirates	Provide technical advisory and operational, maintenance and administrative support services to ACWA Power Barka S.A.O.G. a power and water desalination generator in the Sultanate of Oman	USD	10,000.00	0.00%	86.19%
22	ACWA Power Bash Wind LLC	Uzbekistan	Power Generation (Wind Power)	UZS	400,000,000.00	0.00%	100.00%
23	ACWA Power Beruniy Project Holding Company Ltd	United Arab Emirates	Holding co.	USD	33,000.00	0.00%	100.00%
24	ACWA Power Boujdour	Morocco	Construction of power plants	MAD	13,290,000.00	0.00%	75.00%
25	ACWA Power Capital Management Ltd	United Arab Emirates	Investment in commercial and Industrial Enterprises and Mgt.	USD	50,000.00	0.00%	100.00%
26	ACWA Power Coastal Holdings Limited (JAFZA)	United Arab Emirates	Holding co.	AED	100,000.00	0.00%	100.00%
27	ACWA Power Community Pty Ltd	South Africa	Representative Office	ZAR	302,887,833.19	0.00%	100.00%
28	ACWA Power Conventional Energy Limited	United Arab Emirates	Holding co.	USD	50,000.00	0.00%	100.00%
29	Suez Wind Energy (S.A.E)	Egypt	Investment	USD	15,000.00	0.00%	100.00%
30	ACWA Power Dao Holding Ltd	South Africa	Holding Company	ZAR	–	0.00%	100.00%
31	ACWA Power Dao project Ltd	South Africa	Design, finance, construct, operate, maintain and own energy facilities to supply under a PPA 150 MW contracted capacity to Eskom backed by a government support arrangement	ZAR	400,000,000.00	0.00%	50.00%
32	ACWA Power Dzhankeldy Wind LLC	Uzbekistan	Power Generation (Wind Power)	UZS	400,000,000.00	0.00%	100.00%
33	ACWA Power Egypt for Energy	Egypt	Investment	EGP	10,000,000.00	0.00%	100.00%
34	ACWA Power Energy Africa (Pty) Ltd	South Africa	Company that is responsible for holding shares in the holding companies of those projects that are not shared with Silk Road Fund	ZAR	215,345,233.92	0.00%	100.00%
35	ACWA Power Energy Holdings Limited	United Arab Emirates	Holding co.	AED	100,000.00	0.00%	100.00%
36	ACWA Power Enerji	Turkey	Intermediary Holding Company/ Provision of Support Services	TRY	136,000,000.00	0.00%	99.01%
37	ACWA Power Indonesia Holding Company Limited	United Arab Emirates	Holding co.	USD	25,000.00	0.00%	100.00%
38	ACWA Power FEWA Project Holding Company Limited	United Arab Emirates	Holding co.	USD	25,000.00	0.00%	100.00%
39	ACWA Power for Energy	Saudi Arabia	1. Supplies of electricity, gas, steam and air-conditioning 2. Processing industries	SAR	100,000.00	0.00%	100.00%
40	ACWA Power for Jizan Energy Co.	Saudi Arabia	Generation of the electrical energy	SAR	200,000.00	0.00%	100.00%

[1] This column shows the Company's actual ownership percentage in its subsidiaries, which are through intermediate holding companies.

No.	Name of Subsidiary	Country of Incorporation	Scope of business	CCY	Capital	Direct Interest (%)	Indirect Interest (%)
41	ACWA Power General Holdings 1 Limited	United Arab Emirates	Holding co.	AED	100,000.00	0.00%	100.00%
42	ACWA Power Gijduvan Wind FE LLC	Uzbekistan	Generation of electricity by wind plants	UZS	400,000,000.00	0.00%	100.00%
43	ACWA Power Global Holdings Limited	United Arab Emirates	Holding co.	AED	5,000,000.00	0.00%	100.00%
44	ACWA Power Global Services Ltd.	United Arab Emirates	Holding co.	USD	55,000.00	100.00%	0.00%
45	ACWA Power Global Services Rep office	United Arab Emirates	Representative Office			0.00%	100.00%
46	ACWA Power Global Services Senegal Rep office	Senegal	Representative Office			0.00%	100.00%
47	ACWA Power Green Energy Africa Pty Ltd	South Africa	This is the company that will hold shares in the holding company of green energy projects	ZAR	258,409,350.00	0.00%	100.00%
48	ACWA Power Green Energy Company Ltd	United Arab Emirates	Holding Co.	USD	50,000.00	0.00%	100.00%
49	ACWA Power Ibri Project Holding Company Limited	United Arab Emirates	Holding co.	USD	50,000.00	0.00%	100.00%
50	ACWA Power Indigo Jeotermal Enerji Anonim Sirketi	Turkey			50,000.00	0.00%	65.00%
51	ACWA Power Inland Holdings Limited	United Arab Emirates	Holding co.	AED	100,000.00	0.00%	100.00%
52	ACWA Power International Holdings Limited	United Arab Emirates	Holding co.	AED	100,000.00	0.00%	100.00%
53	ACWA Power INTERNATIONAL L.L.C	United Arab Emirates	Holding co.	AED	300,000.00	0.00%	100.00%
54	ACWA Power Investment (Shanghai) Co. Ltd	China	To engage in non-profit business activities related to affiliated foreign enterprise			0.00%	100.00%
55	ACWA Power Jordan Holdings (Jordan)	Jordan	Holding co.	JOD		0.00%	51.00%
56	ACWA Power Jordan Holding Limited	United Arab Emirates	Holding co.	AED	100,000.00	0.00%	100.00%
57	ACWA Power Karatau Project Holding Company Ltd	United Arab Emirates	Holding Co.	USD	25,000.00	0.00%	100.00%
58	ACWA Power Khalladi	Morocco	O&M Contractor of Noor 1 Project. interim O&M Contractor for Noor II and Noor III Projects	MAD	217,592,506.08	0.00%	26.01%
59	ACWA Power Kirikkale Holdings Ltd Bahrain WLL	Bahrain	Holding co.	BHD	680,000.00	0.00%	99.00%
60	ACWA Power Kom Ombo for Energy	Egypt	Investment	USD	150,000.00	0.00%	100.00%
61	ACWA Power Kom Ombo Project Holding Company Ltd	United Arab Emirates	Holding co.	USD	25,000.00	0.00%	100.00%
62	ACWA Power KRPK Wind FE LLC	Uzbekistan	Generation of electricity by wind plants	UZS	400,000,000.00	0.00%	100.00%
63	ACWA Power Kungrad Wind 1 Holding Company Ltd	United Arab Emirates	Holding co.	USD	25,000.00	0.00%	100.00%
64	ACWA Power Kungrad Wind 2 Holding Company Ltd	United Arab Emirates	Holding co.	USD	25,000.00	0.00%	100.00%
65	ACWA Power Kungrad Wind 3 Holding Company Ltd	United Arab Emirates	Holding co.	USD	25,000.00	0.00%	100.00%
66	ACWA Power Kungrad Wind 4 Holding Company Ltd	United Arab Emirates	Holding co.	USD	25,000.00	0.00%	100.00%
67	ACWA Power Kungrad Wind 1	Uzbekistan	Power Generation (Wind Power)	UZS	400,000,000.00	0.00%	100.00%
68	ACWA Power Kungrad Wind 2	Uzbekistan	Power Generation (Wind Power)	UZS	400,000,000.00	0.00%	100.00%
69	ACWA Power Kungrad Wind 3	Uzbekistan	Power Generation (Wind Power)	UZS	400,000,000.00	0.00%	100.00%
70	ACWA Power Laayoune	Morocco	Construction of power plants	MAD	37,222,400.00	0.00%	75.00%
71	ACWA Power Luxor Project Holding Company Ltd	United Arab Emirates	Holding co.	USD	50,000.00	0.00%	100.00%
72	ACWA Power Management and Investment One Ltd.	United Arab Emirates	Investment in commercial and Industrial Enterprises and Mgt.	USD	50,000.00	100.00%	0.00%
73	ACWA Power Moatize Holdings Ltd (JAFZA)	United Arab Emirates	Holding co.	AED	100,000.00	0.00%	100.00%
74	ACWA Power Maroc	Morocco	Operating a water treatment establishment, development of conventional and renewable plants for projects of water desalination, operating a water treatment establishment	MAD	5,479,400.00	0.00%	51.00%
75	ACWA Power Oasis 1 Ltd (JAFZA)	United Arab Emirates	Holding co.	AED	25,000.00	0.00%	100.00%
76	ACWA Power Oasis 2 Ltd. (JAFZA)	United Arab Emirates	Holding co.	AED	25,000.00	0.00%	51.00%
77	ACWA Power Oasis Three FZ-LLC	United Arab Emirates	Power Generation. et. Al.	AED	1,000,000.00	0.00%	70.70%
78	ACWA Power Oman LLC	Oman	Management offices	OMR	16,413,220.00	0.00%	100.00%
79	ACWA Power Ouarzazate II	Morocco	Power plants construction (operation and maintenance of a solar power plant)	MAD	1,099,203,600.00	0.00%	75.00%
80	ACWA Power Ouarzazate III	Morocco	Power plants construction (operation and maintenance of a solar power plant)	MAD	856,064,500.00	0.00%	75.00%
81	ACWA Power Ouarzazate IV	Morocco	Construction of power plants	MAD	33,950,800.00	0.00%	75.00%
82	ACWA Power Ouarzazate	Morocco	Manufacturer of solar energy equipment and panels (operation and maintenance of a solar power plant)	MAD	35,360,700.00	0.00%	73.13%
83	ACWA Power Plovdiv Holdings (APPH)	United Arab Emirates	Holding co.	AED	6,354,600.00	0.00%	100.00%
84	ACWA Power Co. for Project Management and Acquisition	Saudi Arabia	1. Electric power generation 2. Distribution and wholesale of electric power 3. Water desalination 4. Construction of electric power plants and transformers 5. Wholesale of desalinated water	SAR	500,000.00	0.00%	100.00%
85	ACWA Power Redstone Holdings	South Africa	Company responsible for holding shares and making Shareholder Decisions in ACWA Power Solarreserve Solar Thermal Power Plant	ZAR	913,252,709.94	0.00%	72.10%
86	ACWA Power Reinsurance Co. Ltd.	United Arab Emirates	Insurance	USD	550,000.00	100.00%	0.00%
87	ACWA Power Renewable Energy Holding Ltd	United Arab Emirates	Holding co.	USD	25,108,873.00	51.00%	0.00%
88	ACWA Power Riverside Solar Holding Company Limited	United Arab Emirates	Holding co.	USD	35,000.00	0.00%	100.00%
89	ACWA Power Riverside Solar LLC	Uzbekistan	Generation of electricity by solar plants	UZS	400,000,000.00	0.00%	100.00%
90	ACWA Power Salalah Project Holding Company Limited	United Arab Emirates	Holding co.	USD	50,000.00	0.00%	100.00%
91	ACWA Power Salalah2 IPP Project Holding Company Ltd	United Arab Emirates	Holding co.	USD	25,000.00	0.00%	100.00%
92	ACWA Power Saudi Electricity and Water Development Co.	Saudi Arabia	1. Electric power generation 2. Distribution and wholesale of electric power 3. Water desalination 4. Construction of electric power plants and transformers 5. Wholesale of desalinated water	SAR	5,000,000.00	100.00%	0.00%

No.	Name of Subsidiary	Country of Incorporation	Scope of business	CCY	Capital	Direct Interest (%)	Indirect Interest (%)
93	ACWA Power Sazagan Solar 2 Holding Company Limited	United Arab Emirates	Holding co.	USD	35 000.00	0.00%	100%
94	ACWA Power Sazagan Solar 1 LLC	Uzbekistan	Generation of electricity by solar plants and storage of generated energy	UZS	400,000,000.00	0.00%	100.00%
95	ACWA Power Sazagan Solar 2 LLC	Uzbekistan	Generation of electricity by solar plants	UZS	400,000,000.00	0.00%	100.00%
96	ACWA Power Senegal Project Holding Company Ltd	United Arab Emirates	Holding co.	USD	25,000.00	0.00%	100.00%
97	ACWA Power Solar Project Holding Company Limited	United Arab Emirates	Holding Co	USD	25,000.00	0.00%	100.00%
98	ACWA Power Sirdarya	Uzbekistan	Power Generation by thermal plants	USD	68,771.02	0.00%	100.00%
99	ACWA Power Solafrica Bokpoort CSP	South Africa	The Company is responsible for the development, design, engineering, procurement, construction, finance, owning, operating and maintaining of the CSP Plant. This will need to be done in accordance with the various agreements entered into	ZAR	375,000,101.00	0.00%	20.40%
100	ACWA Power Solar CSP Holding Ltd	United Arab Emirates	Holding co.	USD	50,000.00	0.00%	51.00%
101	ACWA Power Solar Limited	United Arab Emirates	Holding co.	AED	100,000.00	0.00%	100.00%
102	ACWA Power Solarreserve Redstone Solar Thermal Power Plant Pty Ltd	South Africa	The Company is responsible for the development, design, engineering, procurement, construction, finance, owning, operating and maintaining of the CSP Plant. This will need to be done in accordance with the various agreements entered into	ZAR	917,841,904.00	0.00%	36.05%
103	ACWA Power Taweelah Project Holding Company Limited	United Arab Emirates	Holding co.	USD	50,000.00	0.00%	100.00%
104	ACWA Power TECHNICAL AND FINANCIAL SERVICES	Uzbekistan	Representative Office	UZS	2,119,550,000	0.00%	100.00%
105	ACWA Power Treasury Holding Company Limited	United Arab Emirates	Holding co.	USD	50,000.00	0.00%	100.00%
106	ACWA Power Uzbekistan Project Holding Company Limited	United Arab Emirates	Holding co.	USD	25,000.00	0.00%	100.00%
107	ACWA Power Uzbekistan Wind Project Holding Company Ltd	United Arab Emirates	Holding co.	USD	25,000.00	0.00%	100.00%
108	ACWA Power UKS Green H2 Ltd.	Uzbekistan	Project ownership, development, financing, construction, operation and maintenance and sale of green hydrogen	UZS	1,130,000,000.00	0.00%	80.00%
109	ACWA Power Vietnam Pte. Ltd.	Singapore	Other holding companies; Investment holding company in South East Asia	USD	1.00	0.00%	100.00%
110	ACWA Power Vietnam Renewables Pte. Ltd.	Singapore	Other holding companies; Investment holding company in South East Asia	USD	1.00	0.00%	100.00%
111	ACWA Power Water and Power projects owned by NOMAC Gulf Operation and Maintenance one person company LLC	United Arab Emirates	Holding co.	AED	300,000.00	0.00%	100.00%
112	ACWA Power Water Projects Ltd	United Arab Emirates	Holding co.	USD	25,000.00	0.00%	100.00%
113	ACWA Power Wind Karatau	Uzbekistan	Power Generation (Wind Power)	UZS	400,000,000.00	0.00%	100.00%
114	ACWA Shams for Energy S.A.E.	Egypt	Investment	USD	3,750.00	0.00%	32.81%
115	Ad-Dhahirah Generating Co. SAOC	Oman	Electric power Generation	OMR	500,000.00	0.00%	44.90%
116	Noor Al Shuaibah Holding Company	Saudi Arabia	1. Management of subsidiaries of holding companies 2. Investment of funds of subsidiaries of holding companies 3. Ownership of real and movable property required for the holding companies 4. Provision of loans, guarantees and financing to the subsidiaries of the holding companies 5. Ownership of industrial property rights of the subsidiaries of the holding companies 6. Lease of industrial property rights of the subsidiaries of the holding companies	SAR	100,000.00	0.00%	35.01%
117	AL Dur Shared Facilities Company W.L.L	Bahrain	Holding Co.	BHD	10,000.00	0.00%	25.00%
118	Al Imtiaz Operation and Maintenance Company Ltd.	Saudi Arabia	The execution of operation and maintenance contracts for power generation and desalination plants	SAR	500,000.00	0.00%	50.00%
119	Al Raeda Energy	Jordan	Holding co.	JOD	50,000.00	0.00%	89.17%
120	Al Waha Project Company	Saudi Arabia	1. Water supplies, sanitation activities, waste management and treatment 2. Water desalination 3. Water purification	SAR	200,000.00	0.00%	100.00%
121	Al Zarqa Plant for power Generation (Jordan)	Jordan	Energy Generation	JOD	4,298,990.00	0.00%	60.00%
122	ALCOM Energy	Egypt	Investment	EGP	150,000,000.00	0.00%	32.81%
123	Aliah Company	Saudi Arabia	Water treatment, water collection, water desalination, water distribution and other activities related to water collection, treatment and distribution	SAR	200,000.00	0.00%	69.70%
124	Al-Mourjan For Electricity Production Co	Saudi Arabia	1. Develop, construct, own, operate, and maintain Rabigh Electricity Production Project 2. Transfer and sell electricity 3. Engage in any business or activities related or ancillary thereto	SAR	1,403,850,000.00	0.00%	50.00%
125	Amwaj International Company Ltd	Saudi Arabia	Electric power Generation Electric power Transmission Electric power Distribution and Retail Electric power distribution and wholesale Water collection Water Purification Desalination Reducing water salinity	SAR	100,000.00	0.00%	49.90%
126	APM Power Holding Company (JAFZA)	United Arab Emirates	Holding co.	AED	20.00	0.00%	100.00%

No.	Name of Subsidiary	Country of Incorporation	Scope of business	CCY	Capital	Direct Interest (%)	Indirect Interest (%)
127	Arabian Company for Water and Power Projects	Saudi Arabia	1. Electric power generation 2. Distribution and wholesale of electric power 3. Water desalination 4. Construction of electric power plant and transformer 5. Wholesale of desalinated water	SAR	1,867,000,000.00	0.00%	100.00%
128	Arabian Efficiency Company for Operation and Maintenance - Close Joint Stock Company	Saudi Arabia	Repair and maintenance of pumps, power equipment, valves, electrical equipment and transformers. Water Purification, Hazardous waste transportation, Final disposal of non-hazardous industrial waste. Construction and repair of stations and main lines for water distribution	SAR	500,000.00	0.00%	100.00%
129	Ar Rass Solar Energy Company	Saudi Arabia	Electricity. Gas and Air-conditioning supplies	SAR	500,000.00	0.00%	40.11%
130	Asia Power Trading FZCO (JAFZA)	United Arab Emirates	Offshore O&M Contractor Nam Dinh Project	AED	180,000.00	0.00%	51.00%
131	Barka Seawater Facilities Co.	Oman	The Company is setup to develop, finance, design, acquire, construct, operate, maintain, insure and own seawater inlet/outfall facilities and perform associated other activities relating to the desalinated water industry	OMR	500,000.00	0.00%	20.95%
132	Central Electricity Generating Co.	Jordan	Generate Energy. Engineering Support	JOD	3,000,000.00	0.00%	40.93%
133	China Rep Office	China	Representative Office		–	100.00%	0.00%
134	Dhafra Water Desalination Company	Saudi Arabia	1. Water supplies and activities of sanitation and management and treatment of waste 2. Water harvesting, treatment and delivery	SAR	100,000.00	0.00%	67.68%
135	Dhofar Desalination Co. SAOC	Oman	Water Desalination	OMR	500,000.00	0.00%	50.10%
136	Dhofar Generating Company	Oman	Electric power Generation	OMR	22,224,000.00	0.00%	27.00%
137	Dhofar O&M Co.	Oman	O&M	OMR	150,000.00	0.00%	35.00%
138	Dii GmbH	Germany	Power Generation and sale	EUR	180,001.00	33.33%	0.00%
139	ENARA 2 for Energy Investments	Jordan	Holding co.	JOD	1,000.00	0.00%	80.25%
140	ENARA Energy Investments PCS	Jordan	Holding co.	JOD	500,000.00	0.00%	80.25%
141	Ishaa Holding Company	Saudi Arabia	Holding co.	SAR	10,000.00	0.00%	50.10%
142	Ishaa Renewable Energy Company - One Person Company	Saudi Arabia	Supply of electricity, gas, steam and air-conditioning	SAR	10,000.00	0.00%	50.10%
143	First National Company for Operation and Maintenance Services LLC (NOMAC Oman)	Oman	Repair and maintenance of electric motor generators and transformers	OMR	250,000.00	0.00%	100.00%
144	First National Holding branch	United Arab Emirates	Branch Office			0.00%	100.00%
145	First National Holding Company - Sole Proprietorship	Saudi Arabia	Establishing, forming, owning, purchasing, managing, operating and investing in projects	SAR	256,813,000.00	100.00%	0.00%
146	First National Operation and Maintenance Co.	Saudi Arabia	Repair and maintenance of electrical transformers and distributors of energy. Repair and maintenance of engines and generators. Repair and maintenance of energy stations and control. Construction and repair of stations and main lines for water distribution	SAR	2,000,000.00	0.00%	100.00%
147	Gulf Electrical Equipment Testing Laboratories Co	Saudi Arabia	Establish, acquisition, and management of testing and calibration lab for electrical equipt.	SAR	360,000,000.00	0.00%	2.50%
148	Hajr for Electricity Production Company	Saudi Arabia	Company shall be to own, generate, produce, transfer and sell of electricity in Qurayyah Project in the Eastern province in the Kingdom of Saudi Arabia, and to engage in any business or activities related or ancillary thereto	SAR	2,156,230,000.00	0.00%	22.49%
149	Hajr Management and Investments Limited	United Arab Emirates	Holding co.	USD	25,000.00	0.00%	100.00%
150	Hassyan Energy Phase 1 P.S.C	United Arab Emirates	Power Generation et al	AED	5,000,000.00	0.00%	26.95%
151	Hassyan Water 1 Holdco Ltd	United Arab Emirates	Holding co.	USD	25,000.00	0.00%	100.00%
152	HASSYAN WATER COMPANY A P.S.C	United Arab Emirates	To develop, finance, design, engineer, procure, construct, own, operate and maintain water production and generation projects (Desalination plant) and include engaging in all activities related or ancillary thereto	AED	5,000,000.00	0.00%	40.00%
153	Haya Power and Desalination Company B.S.C.	Bahrain	Holding co.	BHD	250,000.00	0.00%	60.00%
154	Higher Institute for Water and Power Technologies	Saudi Arabia	Develop knowledge. expertise and technical skills of work force	SAR		non-profit org.	non-profit org.
155	International Barges Co. for Water Desalination	Saudi Arabia	Production and distribution of cooled water for the purposes of cooling	SAR	97,640,100.00	0.00%	100.00%
156	Jazan Integrated Gasification and Power Company	Saudi Arabia	Production of kinds of liquid and gas fuel, electrical generations, Purification of Water, Desalinating water, water distrubution and transfer	SAR	56,250,000.00	0.00%	25.00%
157	Jazlah Water Desalination Company – Close Joint Stock Co.	Saudi Arabia	1. Water collection 2. Water purification 3. Water desalination 4. Transport and distribution of water 5. Water salinity reduction	SAR	500,000.00	0.00%	40.20%
158	Jubail O&M Company Ltd.	Saudi Arabia	Execution of operation and maintenance services to power and water plants and other industrial facilities	SAR	1,875,000.00	0.00%	40.00%
159	Jubail Operations Holdings WLL	Bahrain	Manage it's affiliated companies	BHD	135,000.00	0.00%	40.00%
160	Jubail Water and Power Company	Saudi Arabia	1. To develop, construct, own, operate and maintain Jubail Water and Power Project (Jubail IWPP) 2. Transfer and sell water and electricity 3. Engage in any business or activities related or ancillary thereto	SAR	882,500,000.00	0.00%	20.00%

No.	Name of Subsidiary	Country of Incorporation	Scope of business	CCY	Capital	Direct Interest (%)	Indirect Interest (%)
161	Aqua Marafiq Water and Electricity Co	British Virgin Islands	BVI business co.	USD	50,000.00	0.00%	100.00%
162	Shuaibah Two for Electrical Energy Company	Saudi Arabia	Electricity Generation	SAR	500,000.00	0.00%	35.01%
163	Shuaibah Holding Company	Saudi Arabia	Activities of holding companies (i.e, the units that acquire and control the assets of capital of a group of affiliates, and its main activity, is holding such group of companies)	SAR	200,000.00	0.00%	35.01%
164	Kahrooma Company	Saudi Arabia	1. Water harvesting 2. Water purification 3. Water transmission and distribution	SAR	7,450,000.00	99.97%	0.03%
165	Kirikkale Holdings Ltd Bahrain WLL	Bahrain	Representative Office	BHD	680,000.00	0.00%	100.00%
166	Layla and Ar Rass Holding Company	Saudi Arabia	1. Manage the companies affiliated to the holding companies 2. Invest the money of the companies affiliated to the holding companies 3. Own real estate and movables of the holding companies 4. Give loans, guarantees and funding to the companies affiliated to the holding companies 5. Own industrial equity rights of the companies affiliated to the holding companies 6. Lease the industrial equity rights of the companies affiliated to the holding companies	SAR	100,000.00	0.00%	40.10%
167	Layla Solar Energy Company	Saudi Arabia	Electricity, Gas and Air-conditioning supplies	SAR	500,000.00	0.00%	40.11%
168	MAP Coastal Holdings (JAFZA)	United Arab Emirates	Holding co.	AED	85,000,000.00	0.00%	47.26%
169	MAP Inland Holdings (JAFZA)	United Arab Emirates	Holding co.	AED	85,000,000.00	0.00%	47.26%
170	MAP Power Holding Ltd. (JAFZA)	United Arab Emirates	Holding co.	AED	20.00	0.00%	100.00%
171	Marafiq Red Sea for Energy Company	Saudi Arabia	1. Supply of electricity, gas, steam and air-conditioning 2. Water supply, sanitary and waste management and treatment activities	SAR	500 000.00	0.00%	50.10%
172	Marafiq Tweeq Power Company	Saudi Arabia	1. Electricity, gas, steam and air-conditioning supplies 2. Electricity energy generation, transmission, distribution and selling 3. Processing industries 4. Water transmission and distribution 5. Water collection 6. Water treatment 7. Water desalination 8. Water technology 9. Collection, treatment and delivery of water 10. Wastewater	SAR	100,000.00	0.00%	100.00%
173	Multiple Shares Company Ltd	Saudi Arabia	1. Electric power generation 2. Distribution and wholesale of electric power 3. Water desalination 4. Construction of electric power plants and transformers 5. Wholesale of desalinated water	SAR	200,000.00	95.00%	5.00%
174	Naqa'a Desalination Plant LLC	United Arab Emirates	Operating of Water Treatment plant; Water Desalination. Refining. Distribution – Desalination plant	AED	500,000.00	0.00%	40.00%
175	Naqa'a O&M for Water Desalination LLC	United Arab Emirates	Operating of Water Treatment plant; Water Desalination. Refining. Distribution – Desalination plant	AED	500,000.00	0.00%	55.00%
176	Nawwar Holding Company	Saudi Arabia	Holding company	SAR	10,000.00	0.00%	50.10%
177	Nawwar Renewable Energy Company	Saudi Arabia	Supply of electricity -gas -steam and air-conditioning	SAR	10,000.00	0.00%	50.10%
178	NEOM GREEN HYDROGEN CO. LTD	Saudi Arabia	1. Production of primary gases, includes (oxygen and hydrogen etc.) 2. Production of ammonia 3. Manufacture of aromatic extracts and their products, includes (distilled water and aromatic mixtures) 4. Electric power generation 5. Electric power transmission 6. Production of kinds of gas fuel 7. Water Purification	SAR	200,000.00	0.00%	33.33%
179	NOMAC Africa Holding	South Africa	Holding company	ZAR	100.00	0.00%	100.00%
180	NOMAC Africa Solar Services Pty Ltd	South Africa	O&M	ZAR	100.00	0.00%	75.00%
181	NOMAC AL Dur Power & Water Services WLL	Bahrain	Water collection treatment and supply	BHD	5,000.00	0.00%	100.00%
182	NOMAC ASKAR Solar Power Services Co. W.L.L	Bahrain	Repair machinery and equipment	BHD	5,000.00	0.00%	100.00%
183	NOMAC Atlantic SARLAU	Morocco	Dormant	MAD	1,000,000.00	0.00%	100.00%
184	NOMAC Azerbaijan Operation and Maintenance Services LLC	Azerbaijan	Operation and Maintenance of Power Plant	AZN	100.00	0.00%	100.00%
185	NOMAC Benban Egypt for Solar Energy	Egypt	Designing, establishing, managing, operating and maintaining power stations	EGP	2,500,000.00	0.00%	100.00%
186	NOMAC Boujdour SA	Morocco	O&M Contractor of Noor Boujdour Project	MAD	300,000.00	0.00%	36.75%
187	NOMAC Dao	South Africa	O&M	ZAR	100.00	0.00%	100.00%
188	NOMAC Egypt Energy	Egypt	Design, construct manage, and maintain power plants	EGP	2,500,000.00	0.00%	100.00%
189	NOMAC Enerji Uretim Islemte Ve Bakim Hizmertleri Ltd Sirkete	Turkey	Operation and Maintenance of Power Plant	TRY	10,000.00	0.00%	100.00%
190	NOMAC Gulf Coal Energy LLC	United Arab Emirates	Power generation facilities and distribution systems O&M	AED	300,000.00	0.00%	100.00%
191	NOMAC Gulf CSP Tower Energy LLC	United Arab Emirates	Power generation facilities and distribution systems O&M	AED	300,000.00	0.00%	100.00%
192	NOMAC Gulf O&M LLC	United Arab Emirates	Power generation facilities and distribution systems O&M	AED	300,000.00	0.00%	100.00%
193	NOMAC Gulf Solar Energy LLC	United Arab Emirates	Solar energy system installation and maintenance	AED	300,000.00	0.00%	100.00%
194	NOMAC Gulf Trading Co (JAFZA)	United Arab Emirates	Power generation, transmission and distribution equipment trading	AED	180,000.00	0.00%	100.00%

No.	Name of Subsidiary	Country of Incorporation	Scope of business	CCY	Capital	Direct Interest (%)	Indirect Interest (%)
195	NOMAC HASSYAN WATER DESALINATION L.L.C	United Arab Emirates	Desalination and sewage treatment plants operation and maintenance	AED	300,000.00	0.00%	100.00%
196	NOMAC IAE Bokpoort Pty Ltd	South Africa	O&M	ZAR	120.00	0.00%	70.00%
197	NOMAC IAE Redstone Pty Ltd	South Africa	O&M	ZAR	100.00	0.00%	100.00%
198	NOMAC Jubail Operation and Maintenance	Saudi Arabia	Repair and maintenance of pumps, power equipment, valves, electrical equipment and transformers. Water Purification. Hazardous waste transportation. Final disposal of non-hazardous industrial waste. Construction and repair of stations and main lines for water distribution	SAR	500,000.00	0.00%	100.00%
199	NOMAC Laayoune IV SA	Morocco	O&M Contractor of Noor Laayoune Project	MAD	300,000.00	0.00%	36.75%
200	NOMAC Ltd	United Arab Emirates	Holding Company	USD	22,256,508.00	0.00%	100.00%
201	NOMAC MEA Operation and Maintenance - Sole Proprietorship LLC	United Arab Emirates	Electricity Plants and Networks Operations and Maintenance	AED	300,000.00	0.00%	100.00%
202	NOMAC Maintenance Energy Services Gulf SPC	Oman	Repair and maintenance, installation and construction	OMR	250,000.00	0.00%	100.00%
203	NOMAC Maintenance Energy Services One Person Company LLC	United Arab Emirates	1. Electricity Transmission and Control Equipment Installation Works 2. Wholesale of Electricity Generation. Transmission and Distribution Equipment Trading 3. Electricity Plants and Networks Operation and Maintenance	AED	300,000.00	0.00%	100.00%
204	NOMAC Maintenance and Energy Services LLC – OPC - Abu Dhabi	United Arab Emirates	Onshore and offshore oil and gas fields and facilities services	AED	300,000.00	0.00%	100.00%
205	NOMAC Maroc SARLAU	Morocco	O&M Contractor of Noor 1 Project. interim O&M Contractor for Noor II and Noor III Projects	MAD	1,000,000.00	0.00%	100.00%
206	NOMAC Nile Energy	Egypt	Design, construct manage and maintain power plants	EGP	2,500,000.00	0.00%	100.00%
207	NOMAC Ouarzazate II SA	Morocco	O&M Contractor of Noor II project	MAD	300,000.00	0.00%	75.00%
208	NOMAC Ouarzazate III SA	Morocco	O&M Contractor of Noor II project	MAD	300,000.00	0.00%	75.00%
209	NOMAC Ouarzazate IV	Morocco	O&M Contractor of Noor Ouarzazate IV project	MAD	300,000.00	0.00%	36.75%
210	NOMAC Power Services LLC	United Arab Emirates	Power generation, transmission and distribution equipment trading	AED	300,000.00	0.00%	100.00%
211	NOMAC PV Phase V LLC	United Arab Emirates	Power generation facilities and distribution systems O&M	AED	300,000.00	0.00%	100.00%
212	NOMAC Red Sea Company for Operation and Maintenance LLC	Saudi Arabia	Repair and maintenance of pumps, power equipment, valves, electrical equipment and transformers. Water Purification. Hazardous waste transportation. Final disposal of non-hazardous industrial waste. Construction and repair of stations and main lines for water distribution	SAR	1,000,000.00	0.00%	100.00%
213	NOMAC Renewable Energy Company	Saudi Arabia	Generation, transmission and distribution of electric power	SAR	500,000.00	0.00%	100.00%
214	NOMAC Sahara SARLAU	Morocco	O&M Contractor of Khalladi Project	MAD	1,000,000.00	0.00%	100.00%
215	NOMAC Saudia for Operation and Maintenance Company	Saudi Arabia	Repair and maintenance of pumps, power equipment, valves, electrical equipment and transformers. Water Purification. Hazardous waste transportation. Final disposal of non-hazardous industrial waste. Construction and repair of stations and main lines for water distribution	SAR	500,000.00	0.00%	100.00%
216	Nomac Services (Thailand) Company Limited	Thailand	Investment and O&M Services	THB	3,000,000.00	0.00%	100.00%
217	NOMAC Sirdarya O&M Services LLC	Uzbekistan	O&M of power plants	UZS	258,000,000.00	0.00%	100.00%
218	NOMAC Taweelah Water Desalination Services LLC	United Arab Emirates	Water desalination plant maintenance	AED	300,000.00	0.00%	100.00%
219	NOMAC Vietnam Co Ltd	Vietnam	1. Management consultancy service 2. Services incidental to manufacturing 3. Installation and assembly work.		2,326,000.00	0.00%	100.00%
220	NOMAC Water Desalination Services LLC	United Arab Emirates	Water treatment plant O&M	AED	300,000.00	0.00%	100.00%
221	Noor Energy 1 P.S.C. (DEWA CSP)	United Arab Emirates	Power Generation et al	AED	5,000,000.00	0.00%	24.99%
222	NOVA SGA Marafiq Holdings Ltd.	United Arab Emirates	Holding Co.	AED	150,000.00	0.00%	33.33%
223	Oasis Holding Company	Saudi Arabia	1. Management of its subsidiaries or partnership in management of other company in which it shares and provision of necessary support thereto 2. Investment of its funds in shares and other securities 3. Ownership of real and movable property required to undertake its activities 4. Provision of loans. guarantees and financing to its subsidiaries 5. Ownership of industrial property rights inclusive of patents. trade and industrial marks. concession rights and other moral rights and their use and lease to its subsidiaries or others	SAR	100,000.00	0.00%	66.72%
224	Oasis power One Conventional Energy and Water Company LLC	Saudi Arabia	1. Electric power generation 2. Distribution and wholesale of electric power 3. Water desalination 4. Construction of electric power plants and transformers 5. Wholesale of desalinated water	SAR	200,000.00	0.00%	100.00%
225	Oasis power Two Renewable Energy Company LLC	Saudi Arabia	1. Electric power generation 2. Distribution and wholesale of electric power 3. Water desalination 4. Construction of electric power plants and transformers 5. Wholesale of desalinated water	SAR	200,000.00	0.00%	100.00%

No.	Name of Subsidiary	Country of Incorporation	Scope of business	CCY	Capital	Direct Interest (%)	Indirect Interest (%)
226	Projects Acquisition Company	Saudi Arabia	1. Development, establishment, acquisition and lease of power generation plants, water desalination and steam plants 2. Generation works, water desalination and steam plants 3. Maintenance and operation of power, steam plants and water desalination plants 4. Purchase and acquisition of real estate for the interests of the Company 5. Establish and operate industrial projects	SAR	500,000.00	0.00%	100.00%
227	PT ACWA Power INDONESIA	Indonesia	Management consultancy	IDR	11,000,000,000.00	0.00%	100.00%
228	PT Indo ACWA Tenaga Saguling	Indonesia	Electricity generation	IDR	10,000,000,000.00	0.00%	100.00%
229	PT Indo ACWA Tenaga Singkarak	Indonesia	Electricity generation	IDR	10,000,000,000.00	0.00%	100.00%
230	Qara Solar Energy Company	Saudi Arabia	Other activities for electric energy generation. Transfer and distribution. Power generation	SAR	247,500.00	0.00%	69.69%
231	Qudra One Holding Company	Saudi Arabia	Holding Co	SAR	10,000.00	0.00%	50.00%
232	Qudra One for Electricity Company	Saudi Arabia	Electricity. Gas and air-conditioning supplies	SAR	500,000.00	0.00%	50.00%
233	Qurayyah Investment Company	Saudi Arabia	1. Electric power generation 2. Electric power transmission 3. Distribution and retail sale of electric power 4. Distribution and wholesale of electric power	SAR	1,253,514,000.00	0.00%	44.98%
234	Qurayyah Project Company Limited	Saudi Arabia	Creation, management, operation of and investment in electricity and desalination plant projects. The company exercises its activities in accordance with the foreign investment license no. 10204380172311, date of issue: 26/01/1438H	SAR	1,100,000.00	0.00%	100.00%
235	Rabigh Arabian Water & Electricity Company	Saudi Arabia	1. Electric power Generation 2. Purification of Water 3. Desalting of Water	SAR	1,000,000,000.00	0.00%	99.00%
236	Rabigh Electricity Co.	Saudi Arabia	1. Electric power generation 2. Distribution and wholesale of electric power 3. Water desalination 4. Construction of electric power plants and transformers 5. Wholesale of desalinated water	SAR	923,750,000.00	0.00%	40.00%
237	Rabigh Expansion Company Limited	Saudi Arabia	1. Electric power generation 2. Distribution and wholesale of electric power 3. Water desalination 4. Construction of electric power plants and transformers 5. Wholesale of desalinated water	SAR	500,000.00	1.00%	99.00%
238	Rabigh Investment Co.	Saudi Arabia	1. Water main and line construction and repair 2. Construction, erection and repair of power plants 3. Electrical wiring 4. Other electrical and telecommunications wiring activities.	SAR	5,400,000.00	0.00%	100.00%
239	Rabigh Operation and Maintenance Co. Ltd.	Saudi Arabia	Management, operation and maintenance of power plants, including provision of specialised refurbishing and repair services, waste disposal in this project only. under SAGIA license No. 102030061481 dated 17/6/1430H.	SAR	500,000.00	0.00%	60.00%
240	Rabigh Power Company Limited	Saudi Arabia	Maintenance and operations of water and energy power plants	SAR	2,000,000.00	0.00%	100.00%
241	Rabigh Project Company	Saudi Arabia	1. Development, establishment, acquisition and lease of power generation plants, water desalination and steam plants 2. Generation works, water desalination and steam plants 3. Maintenance and operation of power, steam plants and water desalination plants 4. Purchase and acquisition of real estate for the interests of the Company 5. Establish and operate industrial projects	SAR	500,000.00	0.00%	100.00%
242	Rabigh Three Company	Saudi Arabia	Manufacture of refreshing carbonated drinks, production and bottling of mineral water at the site and production and bottling of clean and filtered water	SAR	500,000.00	0.00%	70.00%
243	Rabigh Water Production Services Co Ltd	Saudi Arabia	Water collection, purification, desalination and distribution	SAR	500,000.00	0.00%	100.00%
244	Rawabi Water Desalination Company	Saudi Arabia	Water supplies, sanitary drainage, waste management and treatment	SAR	10,000.00	0.00%	45.00%
245	ACWA Power Uzbekistan Hydrogen Holdings Ltd	United Arab Emirates	Holding Co.	USD	25,000.00	0.00%	100.00%
246	Red Sea Energy	Jordan	Holding co.	JOD	1,741,419.00	0.00%	100.00%
247	Renewable Energy for Morocco	Morocco	Holding Company for Noor IV O&M Contractors	MAD	300,000.00	0.00%	49.00%
248	Risha for Solar power Projects PSC (Jordan)	Jordan	Energy Generation	JOD	479,327.00	0.00%	51.00%
249	Saad Two Holding Company	Saudi Arabia	Holding Co.	SAR	10,000.00	0.00%	50.10%
250	Saad Two Renewable Energy Company	Saudi Arabia	Supply of electricity, gas, steam and air-conditioning	SAR	10,000.00	0.00%	50.10%
251	SAKAKA Solar Energy Company	Saudi Arabia	Acquisition, generation, management, operation, transport and sale of electricity at Sakaka solar energy project in Sakaka City, Aljouf Region, KSA and all other related works and activities under SAGIA license No. 10204390480218 dated 28/4/1439H	SAR	500,000.00	0.00%	69.99%
252	Saudi Malaysia O&M Services Co. Ltd.	Saudi Arabia	The execution of operation and maintenance contracts for power generation and desalination plants by the Resolution of SAGIA No. 11202911391) dated 29/11/1429 A.H.	SAR	1,500,000.00	0.00%	50.00%
253	Saudi Malaysia Water and Electricity Co. Ltd.	Saudi Arabia	Establishment and operation of electric general and water desalination plant	SAR	1,041,090,000.00	0.00%	50.00%

No.	Name of Subsidiary	Country of Incorporation	Scope of business	CCY	Capital	Direct Interest (%)	Indirect Interest (%)
254	Seqayah Operation and Maintenance Company Ltd	Saudi Arabia	Repair and maintenance of pumps, power equipment, valves, electrical equipment and transformers. Water Purification. Hazardous waste transportation. Final disposal of non-hazardous industrial waste. Construction and repair of stations and main lines for water distribution	SAR	500,000.00	0.00%	100.00%
255	SGA Marafiq Holding WLL	Bahrain	Holding co.	BHD	336,000.00	0.00%	33.33%
256	Shams Ad-dhahira Generating Company SAOC	Oman	Electric power Generation	OMR	500,000.00	0.00%	47.26%
257	Shinas Generating Co. SAOC	Oman	Electric power Generation	OMR	500,000.00	0.00%	44.90%
258	Shuaa Energy 1 P.S.C	United Arab Emirates	Power Generation et al	AED	2,000,000.00	0.00%	24.99%
259	Shuaa Energy 3 P.S.C.	United Arab Emirates	Power Generation et al	AED	5,000,000.00	0.00%	24.00%
260	Shuaiba Two Water Desalination Holding Company LLC	Saudi Arabia	Establish, own, purchase, administrate, operate and invest in industrial and service projects, power, electricity and water desalination plant projects	SAR	200,000.00	1.00%	99.00%
261	Shuaibah Two Water Development Project Co	Saudi Arabia	Practice the business of establishment, construction, acquisition, purchasing, management, operation and investment in industrial and services projects and power generation and water desalination plants	SAR	88,948,130.00	0.00%	100.00%
262	Shuaibah Three Water Desalination Company	Saudi Arabia	Water supply, sanitation activities and waste management and treatment	SAR	500,000.00	0.00%	68.00%
263	Shuaibah Expansion Holding Company Limited	Saudi Arabia	Activities of holding companies, i.e., the units acquiring the assets of owning a controlling share of the capital of a group of subsidiaries and their key is ownership of such	SAR	175,818,000.00	0.00%	30.00%
264	Shuaibah Expansion Project Co.	Saudi Arabia	1. Develop, construct, own, operate and maintain Shuaibah (3) water expansion project in Shuaibah area 2. Transfer and sell water and electricity 3. Engage in any business or activities related or ancillary thereto	SAR	175,818,000.00	0.00%	30.00%
265	Shuaibah National Company for Water and Power	Saudi Arabia	Generation of electrical power	SAR	2,000,000.00	0.00%	100.00%
266	Shuaibah Water & Electricity Co Ltd	Saudi Arabia	Develop, construct, own, operate and maintain electricity generation and water desalination project. Transfer and sell water and electricity. Engage in any business or activities related or ancillary thereto	SAR	1,560,500,000.00	0.00%	30.00%
267	Shuaibah for Energy Company	Saudi Arabia	Electricity generation	SAR	500,000.00	0.00%	35.01%
268	Shuqaiq Services Company for Maintenance	Saudi Arabia	1. Repair and maintenance of pumps and liquid power equipment 2. Valve repair and maintenance 3. Repair of electrical equipment 4. Repair and maintenance of electrical transformers for power transmission, distribution or specialised types	SAR	500,000.00	0.00%	100.00%
269	Sidra One Holding Company	Saudi Arabia	Holding Co.	SAR	10,000.00	0.00%	50.00%
270	Sidra One for Electricity Company	Saudi Arabia	Electricity. Gas and air-conditioning supplies	SAR	500,000.00	0.00%	50.00%
271	Sohar Calciner LLC	Oman	Establish a calciner plant in Sohar	OMR	250,000.00	0.00%	5.00%
272	Solar V Holding Co Ltd	United Arab Emirates	Holding co.	USD	25,000.00	0.00%	60.00%
273	Sudair One Holding Company	Saudi Arabia	Activities of holding companies (namely, units acquiring ownership assets of a controlling share of the capital of a group of subsidiaries. Its main activity shall be ownership of such group)	SAR	200,970.00	0.00%	34.34%
274	Sudair One Renewable Energy Project Company	Saudi Arabia	Power generation	SAR	500,000.00	0.00%	35.00%
275	Suez Nomac O&M Holding Co. WLL	Bahrain	Manage it's affiliated companies	BHD	135,000.00	0.00%	40.00%
276	Taweelah RO Desalination Company LLC	United Arab Emirates	Water Desalination and treatment plants operation maintenance; Power Enterprise Investment. Institution and Management	AED	103,425,000.00	0.00%	40.00%
277	The Local Company for Water and Solar Projects	Jordan	Energy Generation	JOD	638,524.00	0.00%	51.00%
278	TK for Solar and Renewable Energy Systems	Egypt	Investment	EGP	15,000,000.00	0.00%	18.05%
279	Veolia First National Water Services Co.	Oman	Repair and maintenance of electric motor generators, transformers	OMR	150,000.00	0.00%	35.00%
280	Vietnam Rep office	Vietnam	Representative Office			100.00%	0.00%
281	Wafra Holding Company	Saudi Arabia	Holding Co.	SAR	10,000.00	0.00%	45.00%
282	Water consortium Holding company	Saudi Arabia	Activities of holding companies, i.e., the units acquiring ownership assets of a controlling share of the capital of the group of the subsidiaries and their main activity is the ownership of such	SAR	200,000.00	0.00%	40.11%
283	Water Desalination Expansion Company	Saudi Arabia	Establish, maintain and operate power plants and water desalination plants under SAGIA license No. 11205380775289 dated 6/7/1438H	SAR	500,000.00	0.00%	100.00%

Energy transition takes ambition...

ACWA Power is committed to the realisation of the Kinddom’s Vision 2030 decarbonisation strategy

The Jazan Integrated Gasification, Combined Cycle (IGCC) power plant is recognised as the world’s largest IGCC complex. A joint venture with Saudi Aramco and Air products, this captive plant produces 3.8 GW of power, 581,000 tonnes/hour of steam and 181,000 nM³/hour of grey hydrogen.

ACWA POWER ASSETS

	No. of Assets	Total Investment Cost (USD million)	Total Investment Cost (SAR million)	Contracted Power (MW)	Contracted Water (000' m³/day)	Contracted Green Hydrogen (Ktons/annum)	BESS MWh (Gross)	Operational capacity (MW)	Operational capacity (000' m³/day)	Under construction capacity (MW)	Under construction capacity (000' m³/day)
Total operational assets	41	43,748	164,056	27,255	4,684	–	–	27,255	4,684		
Total assets under Construction & Partially operational	22	28,265	105,993	18,674	2,142	220	1,828	2,742	833	15,932	1,309
Total assets in the advanced development	18	12,726	47,722	9,142	818	3	4,690				
GRAND TOTAL PORTFOLIO	**81**	**84,739**	**317,771**	**55,071**	**7,644**	**223**	**6,518**	**29,997**	**5,517**	**15,932**	**1,309**

FULLY OPERATIONAL ASSETS

Project Name	Country	No. of Assets	Total Investment Cost (SAR million)	ACWA Power Effective Share[1]	Power[4] (MW)	Water[4] (000' m³/day)	Operational capacity[3] (MW)	Operational capacity[3] (000' m³/day)	Contract	Technology	PCOD (Actual/ Expected)/Status	Control (EAI/ SUB)[2]	Accounting	Offtaker
Shuaibah IWPP	Saudi Arabia	1	9,188	30.00%	900	880	900	880	PWPA–BOO–20 YR	Oil/MSF	Q1 2010	EAI	Finance lease	Saudi Water Partnership Co. (SWPC)
Shuaibah Expansion IWP	Saudi Arabia	1	874	30.00%	–	150	–	150	WPA–BOO–20 YR	SWRO	Q4 2009	EAI	Operating lease	Saudi Water Partnership Co. (SWPC)
Petro-Rabigh IWSPP	Saudi Arabia	1	4,466	99.00%	360	134	360	134	WECA–BOO–25 YR	Oil/SWRO	Q2 2008	SUB	Operating lease	Petro-Rabigh Petrochemical Complex (PRC)
Petro-Rabigh (Phase 2) IWSPP	Saudi Arabia	0	3,689	99.00%	160	54	160	54	WECA–BOO–25 YR	Oil/SWRO	Q1 2018	SUB	Operating lease	Petro-Rabigh Petrochemical Complex (PRC)
Marafiq IWPP	Saudi Arabia	1	11,561	20.00%	2,744	800	2,744	800	PWPA–BOOT–20 YR	Natural gas/ MED	Q4 2010	EAI	Finance lease	Tawreed (a subsidiary of Marafiq)
Rabigh IPP	Saudi Arabia	1	9,398	40.00%	1,204	–	1,204	–	PPA–BOO–20 YR	Oil	Q2 2013	EAI	Operating lease	Saudi Electricity Company (SEC)
Barka 1 IWPP	Oman	1	1,556	41.91%	427	91	427	91	PWPA–BOO–18.7 YR	Natural gas/ MSF	Operational when acquired, Acquisition Q3 2010	SUB	Operating lease	Oman Power and Water Procurement Co. (OPWP)
CEGCO Assets	Jordan	1	1,759	40.93%	366	–	366	–	PPA–BOO–15 YR	Natural Gas	Operational when acquired, Acquisition Q3 2011	SUB	Operating lease	National Electric Power Company (NEPCO)
Hajr IPP	Saudi Arabia	1	10,219	22.49%	3,927	–	3,927	–	PPA–BOO–20 YR	Natural Gas	Q1 2015	EAI	Operating lease	Saudi Electricity Company (SEC)
Barka 1 Expansion IWP	Oman	1	199	41.91%	–	45	–	45	WPA–BOO–8.2 YR	SWRO	Q2 2014	SUB	Operating lease	Oman Power and Water Procurement Co. (OPWP)
Noor I CSP IPP	Morocco	1	3,153	73.13%	160	–	160	–	PPA–BOOT–25 YR	CSP – Parabolic	Q1 2016	SUB	Finance lease	Moroccan Agency for Solar Energy

1 ACWA Power's effective share as at 31 December 2023.
2 Operational capacity includes fully operational projects and under-construction project's capacity that has achieved partial commercial operations.
3 Contracted capacity.
4 Advanced development projects represent projects that have signed purchase agreements or have been officially awarded to ACWA Power. These projects are subject to financial close and the information disclosed in the table may be subject to change.

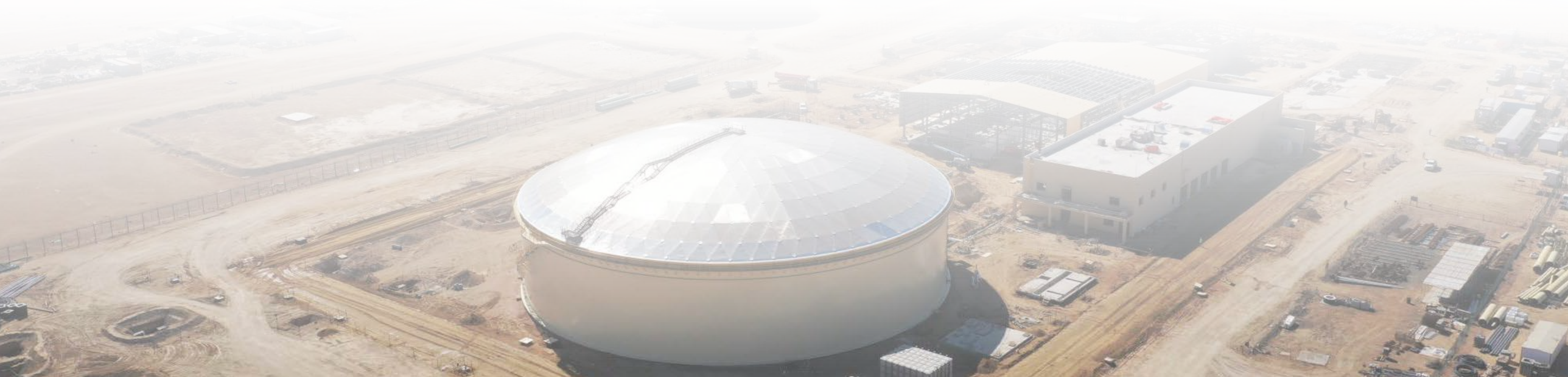
FULLY OPERATIONAL ASSETS

Project Name	Country	No. of Assets	Total Investment Cost (SAR million)	ACWA Power Effective Share[1]	Power[4] (MW)	Water[4] (000' m³/day)	Operational capacity[3] (MW)	Operational capacity[3] (000' m³/day)	Contract	Technology	PCOD (Actual/ Expected)/Status	Control (EAI/ SUB)[2]	Accounting	Offtaker
Bokpoort CSP IPP	South Africa	1	1,939	20.40%	50	–	50	–	PPA–BOO–20 YR	CSP – Parabolic	Q1 2016	EAI	Operating lease	Eskom Holdings
Rabigh 2 IPP	Saudi Arabia	1	5,854	50.00%	2,060	–	2,060	–	PPA–BOO–20 YR	Natural Gas	Q1 2018	EAI	Operating lease	Saudi Electricity Company (SEC)
Kirikkale CCGT IPP	Turkey	1	3,488	69.60%	950	–	950	–	Merchant market	Natural Gas	Q3 2017	EAI	Operating lease	NA (Merchant market)
Khalladi Wind IPP	Morocco	1	655	26.01%	120	–	120	–	PPA–BOO–20 YR	Wind	Q2 2018	EAI	Operating lease	Industrial companies (captive PPAs)
Barka 1 Phase II Expansion IWP	Oman	1	298	41.91%	–	57	–	57	WPA–BOO–4.25 YR	SWRO	Q1 2016	SUB	Operating lease	Oman Power and Water Procurement Co. (OPWP)
Noor II CSP IPP	Morocco	1	4,125	75.00%	200	–	200	–	PPA–BOOT–25 YR	CSP – Parabolic	Q2 2018	SUB	Finance lease	Moroccan Agency for Solar Energy
Noor III CSP IPP	Morocco	1	3,233	75.00%	150	–	150	–	PPA–BOOT–25 YR	CSP – Tower	Q4 2018	SUB	Finance lease	Moroccan Agency for Solar Energy
Shuaa Energy PV IPP	UAE	1	1,222	24.99%	200	–	200	–	PPA–BOO–25 YR	PV	Q1 2017	EAI	Finance lease	Dubai Electricity and Water Authority (DEWA)
Salalah 2 IPP – Existing	Oman	1	629	27.00%	273	–	273	–	PPA–BOO–15 YR	Natural Gas	Operational when acquired, Acquisition Q2 2015	EAI	Finance lease	Oman Power and Water Procurement Co. (OPWP)
Salalah 2 IPP – Greenfield	Oman	1	1,687	27.00%	445	–	445	–	PPA–BOO–15 YR	Natural Gas	Q1 2018	EAI	Operating lease	Oman Power and Water Procurement Co. (OPWP)
Hassyan IPP	UAE	1	12,140	26.95%	2,400	–	2,400	–	PPA–BOO–25 YR	Natural Gas	23-Oct-23	EAI	Finance lease	Dubai Electricity and Water Authority (DEWA)
Ibri IPP	Oman	1	3,683	44.90%	1,509	–	1,509	–	PPA–BOO–15 YR	Natural Gas	Q2 2019	EAI	Operating lease	Oman Power and Water Procurement Co. (OPWP)
Sohar 3 IPP	Oman	1	3,686	44.90%	1,710	–	1,710	–	PPA–BOO–15 YR	Natural Gas	Q2 2019	SUB	Operating lease	Oman Power and Water Procurement Co. (OPWP)
Zarqa IPP	Jordan	1	1,834	60.00%	485	–	485	–	PPA–BOO–25 YR	Natural Gas	Q3 2018	SUB	Operating lease	National Electric Power Company (NEPCO)
NOOR PV1 IPP	Morocco	3	788	75.00%	135	–	135	–	PPA–BOT–20 YR	PV	Q4 2018	EAI	Finance lease	Moroccan Agency for Solar Energy



FULLY OPERATIONAL ASSETS

Project Name	Country	No. of Assets	Total Investment Cost (SAR million)	ACWA Power Effective Share[1]	Power[4] (MW)	Water[4] (000' m³/day)	Operational capacity[3] (MW)	Operational capacity[3] (000' m³/day)	Contract	Technology	PCOD (Actual/ Expected)/Status	Control (EAI/ SUB)[2]	Accounting	Offtaker
Mafraq PV IPP	Jordan	1	265	51.00%	50	–	50	–	PPA–BOO–20 YR	PV	Q4 2018	SUB	Operating lease	National Electric Power Company (NEPCO)
Shuaibah 2 IWP	Saudi Arabia	1	1,155	100.00%	–	250	–	250	WPA–BOO–25 YR	SWRO	Q2 2019	EAI	Operating lease	Saudi Water Partnership Co. (SWPC)
Risha PV IPP	Jordan	1	254	51.00%	50	–	50	–	PPA–BOO–20 YR	PV	Q4 2019	EAI	Operating lease	National Electric Power Company (NEPCO)
BenBan 1	Egypt	1	281	32.81%	50	–	50	–	PPA–BOO–25 YR	PV	Q3 2019	EAI	Operating lease	Egyptian Electricity Transmission Company (EETC)
Ben Ban 2	Egypt	1	300	32.81%	50	–	50	–	PPA–BOO–25 YR	PV	Q3 2019	EAI	Operating lease	Egyptian Electricity Transmission Company (EETC)
Ben Ban 3	Egypt	1	113	18.05%	20	–	20	–	PPA–BOO–25 YR	PV	Q3 2019	EAI	Operating lease	Egyptian Electricity Transmission Company (EETC)
Salalah IWP	Oman	1	600	50.10%	–	114	–	114	WPA–BOO–20 YR	SWRO	Q1 2021	SUB	Operating lease	Oman Power and Water Procurement Co. (OPWP)
Sakaka PV IPP	Saudi Arabia	1	1,133	70.00%	300	–	300	–	PPA–BOO–25 YR	PV	Q2 2020	EAI	Finance lease	Saudi Power Procurement Company (SPPC)
Rabigh 3 IWP	Saudi Arabia	1	2,576	70.00%	–	600	–	600	PWPA–BOO–25 YR	SWRO	Q4 2021	EAI	Finance lease	Saudi Water Partnership Co. (SWPC)
Al Dur Phase II IWPP	Bahrain	1	4,125	60.00%	1,500	227	1,500	227	PWPA–BOO–20 YR	SWRO	Q2 2022	EAI	Operating lease	Electricity and Water Authority (Bahrain)
UAQ IWP	UAE	1	2,988	40.00%	–	682	–	682	PPA–BOOT–35 YR	SWRO	Q3 2022	EAI	Finance lease	Etihad Water and Electricity (EWE)
Ibri 2 PV IPP	Oman	1	1,481	50.00%	500	–	500	–	PPA–BOO–15	PV	Q3 2021	EAI	Operating lease	Oman Power and Water Procurement Co. (OPWP)
Jazlah IWP	Saudi Arabia	1	2,468	40.20%	–	600	–	600	WPA–BOO–25 YR	SWRO	Q1 2023	EAI	Finance lease	Saudi Water Partnership Co. (SWPC)
Jazan IGCC	Saudi Arabia	1	45,000	25.00%	3,800	–	3,800	–	PSA–OOT–25 YR	Oil	Q4 2021	EAI	Financing	ARAMCO
TOTAL		**41**	**164,056**		**27,255**	**4,684**	**27,255**	**4,684**						



UNDER CONSTRUCTION & PARTIALLY OPERATIONAL ASSETS

Project Name	Country	No. of Assets	Total Investment Cost (SAR million)	ACWA Power Effective Share[1]	Power[4] (MW)	Water[4] (000' m³/ day)	Green Hydrogen[4] (Ktons/ annum)	BESS MWh (Gross)	Operational capacity[3] (MW)	Operational capacity[3] (000' m³/ day)	Under construction capacity (MW)	Under construction capacity (000' m³/day)	Contract	Technology	PCOD (Actual/ Expected)/Status	Control (EAI/ SUB)[2]	Accounting	Offtaker
Noor Energy 1	UAE	1	17,145	24.99%	950	–	–		717	–	233	–	PPA–BOO–35 YR	CSP	Q1 2024	EAI	Operating lease	Dubai Electricity and Water Authority (DEWA)
Taweelah IWP	UAE	1	3,278	40.00%	–	909	–		–	833	–	76	WPA–BOO–30 YR	SWRO	Q1 2024	EAI	Finance lease	Emirates Water and Electricity Company (EWEC)
DEWA V PV	UAE	1	2,108	24.00%	900	–	–		900	–	–	–	PPA–BOO–25 YR	PV	Q1 2024	EAI	Operating lease	Dubai Electricity and Water Authority (DEWA)
Sirdarya CCGT IPP	Uzbekistan	1	3,814	51.00%	1,500	–	–		–	–	1,500	–	PPA–BOOT–25 YR	Natural Gas	Q2 2024	EAI	Finance lease	National Electric Grid of Uzbekistan (NEGU)
Kom Ombo	Egypt	1	683	100.00%	200	–	–		–	–	200	–	PPA–BOO–25 YR	PV	Q1 2024	SUB	Operating lease	Egyptian Electricity Transmission Company (EETC)
Redstone CSP IPP	South Africa	1	2,929	36.00%	100	–	–		–	–	100	–	PPA–BOO–20 YR	CSP – Tower	Q2 2024	EAI	Operating lease	Eskom Holdings
Sudair PV IPP	Saudi Arabia	1	3,465	35.00%	1,500	–	–		1,125	–	375	–	PPA–BOO–25 YR	PV	Q4 2024	EAI	Operating lease	Saudi Power Procurement Company (SPPC)
The Red Sea Project	Saudi Arabia	1	5,966	50.00%	340	33	–	1,228	–	–	340	33	25 YR	PV, BESS, ICE, RO, district cooling	Q3 2024	EAI	Finance lease	The Red Sea Development Company (TRSDC)
Shuaibah 3 IWP	Saudi Arabia	1	3,113	68.00%	–	600	–		–	–	–	600	WPA–BOO–25 YR	SWRO	Q2 2025	EAI	Finance lease	Saudi Water Partnership Co. (SWPC)
Bash Wind IPP	Uzbekistan	1	2,588	100.00%	500	–	–		–	–	500	–	PPA–BOOT–25 YR	Wind	Q1 2025	SUB	Operating lease	National Electric Grid of Uzbekistan (NEGU)
Dzhankeldy Wind IPP	Uzbekistan	1	2,468	100.00%	500	–	–		–	–	500	–	PPA–BOOT–25 YR	Wind	Q1 2025	SUB	Operating lease	National Electric Grid of Uzbekistan (NEGU)



UNDER CONSTRUCTION & PARTIALLY OPERATIONAL ASSETS

Project Name	Country	No. of Assets	Total Investment Cost (SAR million)	ACWA Power Effective Share[1]	Power[4] (MW)	Water[4] (000' m³/ day)	Green Hydrogen[4] (Ktons/ annum)	BESS MWh (Gross)	Operational capacity[3] (MW)	Operational capacity[3] (000' m³/ day)	Under construction capacity (MW)	Under construction capacity (000' m³/day)	Contract	Technology	PCOD (Actual/ Expected)/Status	Control (EAI/ SUB)[2]	Accounting	Offtaker
Neom Green Hydrogen	Saudi Arabia	1	31,875	33.33%	3,883	–	220	600	–	–	3,883	–	APA–BOO–30 YR	PV+Wind	Q3 2026	EAI	Operating lease	Air Products
Karatau Wind IPP	Uzbekistan	1	439	100.00%	100	–	–		–	–	100	–	PPA–BOOT–25 YR	Wind	Q1 2025	SUB	Operating lease	National Electric Grid of Uzbekistan (NEGU)
Ar Rass PV IPP	Saudi Arabia	1	1,688	40.10%	700	–	–		–	–	700	–	PPA–BOO–25 YR	PV	Q4 2024	EAI	Operating lease	Saudi Power Procurement Company (SPPC)
Shuaibah 1&2 PV IPP	Saudi Arabia	2	8,250	35.01%	2,631	–	–		–	–	2,631	–	PPA–BOO–35 YR	PV	Q4 2025	EAI	Operating lease	Saudi Power Procurement Company (SPPC)
Laylaa PV IPP	Saudi Arabia	1	400	40.10%	80	–	–		–	–	80	–	PPA–BOO–30 YR	PV	Q2 2027	EAI	Operating lease	Saudi Power Procurement Company (SPPC)
Rabigh 4 IWP	Saudi Arabia	1	2,516	45.00%	–	600	–		–	–	–	600	WPA–BOO–25 YR	SWRO	Q1 2026	EAI	Finance lease	Saudi Water Partnership Co. (SWPC)
Azerbaijan Wind IPP	Azerbaijan	1	1,073	100.00%	240	–	–		–	–	240	–	PPA–BOO–20 YR	Wind	Q3 2024	SUB	Operating lease	Azerenerji OJSC
Ar Rass 2 PV IPP	Saudi Arabia	1	5,299	40.76%	2,000	–	–		–	–	2,000	–	PPA–BOO–35 YR	PV	Q4 2025	EAI	Operating lease	Saudi Power Procurement Company (SPPC)
Saad 2 PV IPP	Saudi Arabia	1	3,000	50.10%	1,125	–	–		–	–	1,125	–	PPA–BOO–35 YR	PV	Q4 2025	EAI	Operating lease	Saudi Power Procurement Company (SPPC)
Al Kahfah PV	Saudi Arabia	1	3,900	50.10%	1,425	–	–		–	–	1,425	–	PPA–BOO–35 YR	PV	Q4 2025	EAI	Operating lease	Saudi Power Procurement Company (SPPC)
TOTAL		**22**	**105,993**		**18,674**	**2,142**	**220**	**1,828**	**2,742**	**833**	**15,932**	**1,309**						



ADVANCED DEVELOPMENT[5]

Project Name	Country	No. of Assets	Total Investment Cost (SAR million)	ACWA Power Effective Share[1]	Power[4] (MW)	Water[4] (000' m³/day)	Green Hydrogen[4] (Ktons/ annum)	BESS MWh (Gross)	Contract	Technology	PCOD (Actual/ Expected)/Status	Control (EAI/SUB)[2]	Accounting	Offtaker
Kungrad 1 Wind IPP	Uzbekistan	1	3,998	100.00%	500	–	–	325	PPA–BOOT–25 YR	Wind	PPA signed	SUB	Operating lease	National Electric Grid of Uzbekistan (NEGU)
Kungrad 2 Wind IPP	Uzbekistan	1	2,501	100.00%	500	–	–	325	PPA–BOOT–25 YR	Wind	PPA signed	SUB	Operating lease	National Electric Grid of Uzbekistan (NEGU)
Kungrad 3 Wind IPP	Uzbekistan	1	2,501	100.00%	500	–	–	325	PPA–BOOT–25 YR	Wind	PPA signed	SUB	Operating lease	National Electric Grid of Uzbekistan (NEGU)
Suez Wind	Egypt	1	5,625	100.00%	1,100	–	–	–	PPA–BOO–25 YR	Wind	PPA signed	SUB	Operating lease	Egyptian Electricity Transmission Company (EETC)
Saguling Floating PV IPP	Indonesia	1	225	100.00%	60	–	–	–	PPA–BOO–25 YR	PV	PPA signed	SUB	Operating lease	PT Perusahaan Listrik Negara (PLN)
Singkarak Floating PV IPP	Indonesia	1	188	100.00%	50	–	–	–	PPA–BOO–25 YR	PV	Preferred Bidder	SUB	Operating lease	PT Perusahaan Listrik Negara (PLN)
Riverside Solar	Uzbekistan	1	2,381	100.00%	400	–	–	770	PPA–BOOT–25 YR	PV	Preferred Bidder	SUB	Operating lease	National Electric Grid of Uzbekistan (NEGU)
Sazagan Solar 1	Uzbekistan	1	2,644	100.00%	500	–	–	770	PPA–BOOT–25 YR	PV	PPA signed	SUB	Operating lease	National Electric Grid of Uzbekistan (NEGU)
Sazagan Solar 2	Uzbekistan	1	3,229	100.00%	500	–	–	770	PPA–BOOT–25 YR	PV	PPA signed	SUB	Operating lease	National Electric Grid of Uzbekistan (NEGU)
Uzbekistan GH2	Uzbekistan	2	375	80.00%	52	–	3	–	HPA–BOO–15 years PPA– BOO–25 years	Wind	PPA signed	SUB	Operating lease	UZKIMYOIMPEKS LLC
Hassyan IWP	UAE	1	3,428	40.00%	–	818	–	–	WPA–BOO–30 YR	SWRO	PPA signed	EAI	Finance lease	Dubai Electricity and Water Authority (DEWA)
Taibah 1 IPP	Saudi Arabia	1	6,675	50.00%	1,934	–	–	–	PPA–BOO–25 YR	CCGT	PPA signed	EAI	Finance lease	Saudi Power Procurement Company (SPPC)
Qassim 1 IPP	Saudi Arabia	1	6,619	50.00%	1,896	–	–	–	PPA–BOO–25 YR	CCGT	PPA signed	EAI	Finance lease	Saudi Power Procurement Company (SPPC)
Nukus 2 Wind IPP	Uzbekistan	1	985	100.00%	200	–	–	139	PPA–BOO–25 YR	WInd	HPA/PPA signed	SUB	Operating lease	NEGU
Gijduvan Wind IPP	Uzbekistan	1	1,349	100.00%	300	–	–	–	PPA–BOO(T)–25 YR	WInd	WPA transpose	SUB	Operating lease	NEGU
Kungrad 4 Wind IPP	Uzbekistan	1	2,188	100.00%	500	–	–	–	PPA–BOO(T)–25 YR	WInd	PPA signed	SUB	Operating lease	NEGU
Dao	South Africa	1	2,813	50.00%	150	–	–	1,266	PPA–BOO–20 YR	PV	PPA signed	EAI	Operating lease	Eskom Holding
TOTAL		**18**	**47,722**		**9,142**	**818**	**3**	**4,690**						

Source: Company information.

[5] Advanced development projects represent projects that have signed purchase agreements or have been officially awarded to ACWA Power. These projects are subject to financial close and the information disclosed in the table maybe subject to change.



GRI CONTENT INDEX

Statement of use	ACWA Power has reported the information cited in this GRI content index for the period from 1 January to 31 December 2023, in accordance with the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021.

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2–1 Organisational details	Introduction/About this report At a glance/Where we operate Financial statements/Note 1
	2–2 Entities included in the organisation's sustainability reporting	Introduction/About this report Appendix/ACWA Power Group companies Financial statements/Note 1
	2–3 Reporting period, frequency and contact point	The information in this report refers to the period from 1 January to 31 December 2023. Sustainability information is published annually as a part of the Integrated Annual Report. In 2022, the Company has also published a standalone sustainability report. The contact point for questions about this report or reported information is indicated in the 'About this report' section.
	2–4 Restatements of information	The GHG emissions data included in this report are based on a new methodology with enhanced accuracy of operational data flow and a more accurate representation of GHG emissions. The GHG emissions for previous years were restated based on the new methodology. Also, the employee accounting parameters for 2023 are restricted to permanent full-time employees. The employee data for 2022 and 2021 were restated to maintain consistency in the accounting methodology.
	2–5 External assurance	KPMG Professional Services provided limited assurance on selected quantitative indicators. See 'Limited assurance report' in the Appendix.
	2–6 Activities, value chain and other business relationships	Introduction/2023 highlights At a glance/Who we are At a glance/What we do Strategic review/Business model and strategy
	2–7 Employees	Introduction/2023 highlights Sustainability review/Society/Employees
	2–9 Governance structure and composition	Sustainability review/Sustainability governance Board report/Board of directors
	2–10 Nomination and selection of the highest governance body	Board report/Board of directors
	2–11 Chair of the highest governance body	The Chairman of the Board of directors is not a senior executive of ACWA Power.
	2–12 Role of the highest governance body in overseeing the management of impacts	Sustainability review/Sustainability governance
	2–13 Delegation of responsibility for managing impacts	Sustainability review/Sustainability governance
	2–14 Role of the highest governance body in sustainability reporting	Introduction/About this report
	2–15 Conflicts of interest	Sustainability review/Corporate governance
	2–16 Communication of critical concerns	Sustainability review/Corporate governance
	2–17 Collective knowledge of the highest governance body	Sustainability review/Sustainability governance
	2–18 Evaluation of the performance of the highest governance body	Board report/Board of directors
	2–19 Remuneration policies	Board report/Remuneration
	2–20 Process to determine remuneration	Board report/Remuneration
	2–22 Statement on sustainable development strategy	Sustainability review/Sustainability approach Sustainability review/Sustainability strategy
	2–23 Policy commitments	Sustainability review/Corporate governance
	2–25 Processes to remediate negative impacts	Sustainability review/Corporate governance
	2–26 Mechanisms for seeking advice and raising concerns	Sustainability review/Corporate governance
	2–27 Compliance with laws and regulations	There were no significant instances of non-compliance with laws and regulations in 2023.
	2–29 Approach to stakeholder engagement	Sustainability review/Stakeholder engagement

GRI STANDARD	DISCLOSURE	LOCATION
GRI 3: Material Topics 2021	3–1 Process to determine material topics	Sustainability review/Stakeholder engagement
	3–2 List of material topics	Sustainability review/Stakeholder engagement
	3–3 Management of material topics	Sustainability review/Climate change Sustainability review/Emissions Sustainability review/Society/Health and safety Sustainability review/Corporate governance
GRI 201: Economic Performance 2016	201–2 Financial implications and other risks and opportunities due to climate change	Sustainability review/Climate change
GRI 202: Market Presence 2016	202–1 Ratios of standard entry level wage by gender compared to local minimum wage	Sustainability review/Society/Employees
GRI 203: Indirect Economic Impacts 2016	203–1 Infrastructure investments and services supported	Introduction/2023 highlights/Our portfolio At a glance/What we do Sustainability review/Energy efficiency and consumption Sustainability review/Environment/Water management
	203–2 Significant indirect economic impacts	Sustainability review/Sustainability strategy Sustainability review/Society/Local communities
GRI 204: Procurement Practices 2016	204–1 Proportion of spending on local suppliers	Sustainability review/Sustainability strategy
GRI 205: Anti-corruption 2016	205–1 Operations assessed for risks related to corruption	Sustainability review/Corporate governance
	205–2 Communication and training about anti-corruption policies and procedures	Sustainability review/Corporate governance
GRI 207: Tax 2019	207–4 Country-by-country reporting	Performance review/Financial review Financial statements/Note 21
GRI 302: Energy 2016	302–2 Energy consumption outside of the organisation	Sustainability review/Energy efficiency and consumption
	302–4 Reduction of energy consumption	Sustainability review/Energy efficiency and consumption
GRI 303: Water and Effluents 2018	303–1 Interactions with water as a shared resource	Sustainability review/Environment/Water management
	303–2 Management of water discharge-related impacts	Sustainability review/Environment/Water management
	303–3 Water withdrawal	Sustainability review/Environment/Water management
	303–4 Water discharge	Sustainability review/Environment/Water management
	303–5 Water consumption	Sustainability review/Environment/Water management
GRI 304: Biodiversity 2016	304–2 Significant impacts of activities, products and services on biodiversity	Sustainability review/Environment/Biodiversity
GRI 305: Emissions 2016	305–1 Direct (Scope 1) GHG emissions	Sustainability review/Emissions
	305–2 Energy indirect (Scope 2) GHG emissions	Sustainability review/Emissions
	305–4 GHG emissions intensity	Sustainability review/Emissions
	305–5 Reduction of GHG emissions	Sustainability review/Emissions
	305–7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Sustainability review/Environment/Air quality
GRI 306: Waste 2020	306–1 Waste generation and significant waste-related impacts	Sustainability review/Environment/Waste management and circular economy
	306–2 Management of significant waste-related impacts	Sustainability review/Environment/Waste management and circular economy
	306–3 Waste generated	Sustainability review/Environment/Waste management and circular economy
	306–4 Waste diverted from disposal	Sustainability review/Environment/Waste management and circular economy
	306–5 Waste directed to disposal	Sustainability review/Environment/Waste management and circular economy
GRI 401: Employment 2016	401–1 New employee hires and employee turnover	Sustainability review/Society/Employees
	401–2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainability review/Society/Employees

GRI STANDARD	DISCLOSURE	LOCATION
GRI 403: Occupational Health and Safety 2018	403–1 Occupational health and safety management system	Sustainability review/Society/Health and safety
	403–2 Hazard identification, risk assessment, and incident investigation	Sustainability review/Society/Health and safety
	403–3 Occupational health services	Sustainability review/Society/Health and safety
	403–4 Worker participation, consultation, and communication on occupational health and safety	Sustainability review/Society/Health and safety
	403–5 Worker training on occupational health and safety	Sustainability review/Society/Health and safety
	403–6 Promotion of worker health	Sustainability review/Society/Health and safety
	403–7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability review/Society/Health and safety
	403–8 Workers covered by an occupational health and safety management system	Sustainability review/Society/Health and safety
	403–9 Work-related injuries	Sustainability review/Society/Health and safety
GRI 404: Training and Education 2016	404–1 Average hours of training per year per employee	Sustainability review/Society/Employees
	404–2 Programmes for upgrading employee skills and transition assistance programmes	Sustainability review/Society/Employees
GRI 405: Diversity and Equal Opportunity 2016	405–1 Diversity of governance bodies and employees	Sustainability review/Society/Employees Board report/Board of directors
	405–2 Ratio of basic salary and remuneration of women to men	Sustainability review/Society/Employees
GRI 406: Non-discrimination 2016	406–1 Incidents of discrimination and corrective actions taken	There were no incidents of discrimination in 2023
GRI 413: Local Communities 2016	413–1 Operations with local community engagement, impact assessments, and development programmes	Sustainability review/Sustainability approach Sustainability review/Society/Local communities

SASB INDEX

SASB (Sustainability Accounting Standards Board) index

Topic	Accounting metric	Category	Unit of measure	Code	Location
Electric utilities and power generators (2018)					
Greenhouse Gas Emissions & Energy Resource Planning	(1) Gross global Scope 1 emissions	Quantitative	Metric tons (t) CO_2e	IF-EU-110a.1	Sustainability review/ Emissions
	Greenhouse gas (GHG) emissions associated with power deliveries	Quantitative	Metric tons (t) CO_2e	IF-EU-110a.2	Sustainability review/ Emissions
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and analysis	N/a	IF-EU-110a.3	Sustainability review/ Sustainability strategy Sustainability review/Climate change Sustainability review/ Emissions
Air quality	Air emissions of the following pollutants: (1) NOx (excluding N_2O), (2) SOx, (3) particulate matter (PM10), (4) lead (Pb), and (5) mercury (Hg); percentage of each in or near areas of dense population	Quantitative	Metric tons (t)	IF-EU-120a.1	Sustainability review/ Environment/Air quality
Water management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic metres (m^3) Percentage (%)	IF-EU-140a.1	Sustainability review/ Environment/Water management
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and analysis	N/a	IF-EU-140a.3	Sustainability review/ Environment/Water management
Workforce health & safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	Quantitative	Rate	IF-EU-320a.1	Sustainability review/Society/ Health and safety
Activity metrics	Total electricity generated, percentage by major energy source, percentage in regulated markets	Quantitative	Megawatt hours (MWh) Percentage (%)	IF-EU-000.D	Sustainability review/Energy efficiency and consumption

Topic	Accounting metric	Category	Unit of measure	Code	Location
Solar technology and project developers (2018)					
Water management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic metres (m^3) Percentage (%)	RR-ST-140a.1	Sustainability review/ Environment/Water management
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and analysis	N/a	RR-ST-140a.2	Sustainability review/ Environment/Water management
Waste management	Amount of hazardous waste generated, percentage recycled	Quantitative	Metric tonnes (t) Percentage (%)	RR-ST-150a.1	Sustainability review/ Environment/Waste management and circular economy
	Number and aggregate quantity of reportable spills, quantity recovered	Quantitative	Number Kilograms (kg)	RR-ST-150a.2	Sustainability review/ Environment/Waste management and circular economy
Ecological impacts of project development	Description of efforts in solar energy system project development to address community and ecological impacts	Discussion and analysis	N/a	RR-ST-160a.2	At a glance/What we do Sustainability review/ Sustainability approach Sustainability review/Energy efficiency and consumption Sustainability review/Society/ Local communities
Activity metrics	Total capacity of photovoltaic (PV) solar modules produced	Quantitative	Megawatts (MW)	RR-ST-000.A	Introduction/2023 highlights At a glance/What we do
	Total capacity of completed solar energy systems	Quantitative	Megawatts (MW)	RR-ST-000.B	Introduction/2023 highlights At a glance/What we do
	Total project development assets	Quantitative	SAR billion	RR-ST-000.C	Introduction/2023 highlights At a glance/What we do At a glance/Where we operate

TCFD INDEX

TCFD (Task Force on Climate-Related Financial Disclosures) index

Guidance for all sectors		Location
Governance		
Disclose the organisation's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities.	Sustainability review/ Sustainability governance
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Sustainability review/ Sustainability governance
Strategy		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organisation has identified over the short-, medium-, and long-term.	Strategic review/Risk management Sustainability review/ Climate change
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Strategic review/Risk management Sustainability review/ Climate change
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Sustainability review/ Sustainability governance Sustainability review/ Climate change
Risk management		
Disclose how the organisation identifies, assesses, and manages climate-related risks.	a) Describe the organisation's processes for identifying and assessing climate-related risks.	Strategic review/Risk management Sustainability review/ Climate change
	b) Describe the organisation's processes for managing climate-related risks.	Strategic review/Risk management Sustainability review/ Climate change
	c) Describe how processes for identifying, assessing, and managing climate-related risk are integrated into the organisation's overall risk management.	Strategic review/Risk management

Guidance for all sectors		Location
Metrics and targets		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with it's strategy and risk management process.	Sustainability review/ Climate change Sustainability review/ Emissions Sustainability review/Water management
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Sustainability review/ Emissions
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Sustainability review/ Sustainability strategy At a glance/What we do Performance review/ Operational review

WEF INDEX

World Economic Forum metrics

This index table summarises the relevant disclosures aligned to the Metrics for Measuring Stakeholder Capitalism by the World Economic Forum (WEF). ACWA Power does not yet report against every metric within this reporting framework, but we work continuously to enhance our data disclosure.

Category	Metrics	Location
People		
Dignity and equality	• Percentage of employees per employee category, per age group, gender and other indicators of diversity (e.g., ethnicity)	Sustainability review/Society/Employees
	• Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men; minor to major ethnic groups; and other relevant equality areas	Sustainability review/Society/Employees
	• Ratios of standard entry-level wage by gender compared to local minimum wage	Sustainability review/Society/Employees
	• Number of discrimination and harassment incidents, status of the incidents and actions taken and the total amount of monetary losses as a result of legal proceedings associated with (1) law violations and (2) employment discrimination	There were no incidents of discrimination in 2023.
Health and well-being	• The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries, main types of work-related injury; and the number of hours worked	Sustainability review/Society/Health and safety
	• An explanation of how the organisation facilitates workers' access to non-occupational medical and healthcare services and the scope of access provided for employees and workers	Sustainability review/Society/Health and safety
	• The number and rate of fatalities as a result of work-related ill-health; recordable work-related ill-health injuries, main types of work-related injury; and the main types of work-related ill-health for all employees and workers	Sustainability review/Society/Health and safety
Skills for the future	• Average hours of training per person that the organisation's employees have undertaken during the reporting period, by gender and employee category (total number of trainings provided to employees divided by the number of employees)	Sustainability review/Society/Employees
	• Effectiveness of the training and development through increased revenue, productivity gains, employee engagement and/or internal hire rates	Sustainability review/Society/Employees

Category	Metrics	Location
Planet		
Air pollution	• Nitrogen oxides (NOx), sulphur oxides (SOx), particulate matter and other significant air emissions	Sustainability review/Environment/Air quality
	• Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation	The Company is working towards fully integrating the TCFD recommendations into the reporting. The progress can be seen in the 'TCFD index' section of the Appendix
	• Define and report progress against time-bound science-based GHG emissions targets that are in line with the goals of the Paris Agreement	Sustainability review/Sustainability strategy At a glance/What we do Performance review/Operational review
Fresh water availability	• Report for operations where material, mega litres of water withdrawn, mega litres of water consumed and the percentage of each in regions with high or extremely high baseline water stress according to WRI Aqueduct water risk atlas tool	Sustainability review/Environment/Water management
	• The valued societal impact of freshwater consumption and withdrawal	ACWA Power is the largest private water desalination company in the world, producing freshwater for consumption. Some of the societal effects can be found in the sections: Sustainability review/Environment/Water management Introduction/2023 highlights At a glance/What we do
Solid waste	• Report wherever material along the value chain, the valued societal impact of solid waste disposal, including plastics and other waste streams	Sustainability review/Environment/Waste management and circular economy
Prosperity		
Community and social vitality	• Community investment is included within the economic contribution metric (part of EVG&D)	Sustainability review/Society/Local communities
	• Total tax paid and, if reported, additional tax remitted, by country for significant locations	Performance review/Financial review Financial statements/Note 21
Employment and wealth generation	• Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region	Sustainability review/Society/Employees
	• Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region	Sustainability review/Society/Employees
	• Extent of development of significant infrastructure investments and services supported	Introduction/2023 highlights/Our portfolio At a glance/What we do Sustainability review/Energy efficiency and consumption Sustainability review/Environment/Water management
	• Examples of significant identified indirect economic impacts of the organisation, including positive and negative impacts	Sustainability review/Sustainability strategy Sustainability review/Society/Local communities
	• Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities (e.g., national and international standards, protocols, policy agendas)	Sustainability review/Our ESG framework

Category	Metrics	Location
Wealth creation and employment	• Total capital expenditures (CapEx) – Depreciation supported by narrative to describe the Company's investment strategy	Performance review/Financial review
	• Share buybacks + Dividend payments supported by narrative to describe the Company's strategy for returns of capital to shareholders	Performance review/Financial review Board report/Further disclosures/ Dividend policy
Governance		
Ethical behaviour	• Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption	Sustainability review/Corporate governance
	A description of internal and external mechanisms for • Seeking advice about ethical and lawful behaviour and organisational integrity; • Reporting concerns about unethical or lawful behaviour and organisational integrity	Sustainability review/Corporate governance
Governing purpose	• The Company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental, and social issues. Corporate purpose should create value for all stakeholders, including shareholders	At a glance/Who we are
	• How the Company's stated purpose is embedded in company strategies, policies, and goals	Introduction/A history of ambition At a glance/What we do Strategic review/Business model and strategy Sustainability review/Sustainability strategy
Quality of governing body	• Composition of the highest governance body and its committees by: competencies relating to economic, environmental, and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation	Board report/Board of directors
	• How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental and social topics, as connected to the Company's stated purpose, strategy, and long-term value	Board report/Remuneration
	• Remuneration policies for the highest governance body and senior executives	Board report/Remuneration
Risk and opportunity oversight	• Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the Company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental, and social issues, including climate change and data stewardship	Strategic review/Risk management
	• How the highest governance body considers economic, environmental, and social issues when overseeing major capital allocation decisions, such as expenditures, acquisitions and divestures	Strategic review/Risk management
Stakeholder engagement	• A list of the topics that are material to key stakeholders and the Company, how the topics were identified, and how the stakeholders were engaged	Sustainability review/Stakeholder engagement

UN GLOBAL COMPACT PRINCIPLES

Principle	Location
Human Rights	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	Sustainability review/Corporate governance/Our commitment to human rights
Principle 2: make sure that they are not complicit in human rights abuses.	Sustainability review/Corporate governance/Our commitment to human rights
Labour	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	–
Principle 4: the elimination of all forms of forced and compulsory labour;	Sustainability review/Corporate governance/Our commitment to human rights
Principle 5: the effective abolition of child labour; and	Sustainability review/Corporate governance/Our commitment to human rights
Principle 6: the elimination of discrimination in respect of employment and occupation.	Sustainability review/Corporate governance/Anti-discrimination and anti-harassment
Environment	
Principle 7: Businesses should support a precautionary approach to environmental challenges;	Sustainability review/Environment
Principle 8: undertake initiatives to promote greater environmental responsibility; and	Sustainability review/Environment
Principle 9: encourage the development and diffusion of environmentally friendly technologies.	At a glance/What we do Sustainability review/Energy efficiency and consumption Sustainability review/Environment
Anti-corruption	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Sustainability review/Corporate governance/Anti-corruption

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INDEPENDENT LIMITED ASSURANCE REPORT

TO ACWA POWER COMPANY ('ACWA') ON SELECTED QUANTITATIVE INDICATORS DISCLOSED IN ACWA'S INTEGRATED ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

To the management of ACWA Power Company (ACWA)

We have been engaged by the management of ACWA Power Company ('the Company', 'ACWA') to carry out a limited assurance engagement in order to state whether anything has come to our attention that causes us to believe that the subject matter information detailed below ('Subject Matter'), has not been prepared, in all material respects, in accordance with the applicable criteria ('Applicable Criteria') as set out below.

Subject Matter

The Subject Matter for our limited assurance engagement were the selected quantitative indicators ('the Indicators') as detailed in Annexure 1 of this report, as detailed in ACWA's 2023 integrated annual report for the year ended 31 December 2023 ('the Report'), as prepared and presented by the management of the Company.

The Indicators are aggregated based on the reporting boundaries developed by the Company which are detailed in Annexure 1 of this report.

Applicable Criteria

The Applicable Criteria for this limited assurance engagement were the requirements of the relevant established frameworks, as applicable to the Subject Matter, the details of which are mentioned in Annexure 2 of this report.

The Company's responsibility

The management of the Company is responsible for preparing and presenting the Subject Matter information that is free from material misstatement in accordance with the Applicable Criteria and for the information contained therein.

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of the Subject Matter information that is free from material misstatement, whether due to fraud or error. It also includes developing the Applicable Criteria as the criteria against which to evaluate the Subject Matter information.

The management of the Company is also responsible for preventing and detecting fraud and for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities. The management of the Company is responsible for ensuring that staff involved with the preparation of the Subject Matter information are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

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Our responsibility

Our responsibility is to examine the Subject Matter information prepared by the Company and to report thereon in the form of an independent limited assurance conclusion based on the procedures we have performed and the evidence obtained. We conducted our engagement in accordance with the International Standard on Assurance Engagements ('ISAE') 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and ISAE 3410 Assurance Engagements On Greenhouse Gas Statements as endorsed in the Kingdom of Saudi Arabia and the terms and conditions for this engagement as agreed with the Company's management. ISAE 3000 (Revised) and ISAE 3410 require that we plan and perform the engagement to obtain limited assurance about whether the Subject Matter information has been properly prepared, in all material respects, in accordance with the Applicable Criteria.

Our firm applies the International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The procedures selected depend on our understanding of the Subject Matter and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

In obtaining an understanding of the Subject Matter information and other engagement circumstances, we have considered the process used to prepare the Subject Matter information in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's internal control over the preparation and presentation of the Subject Matter information. A limited assurance engagement in accordance with ISAE 3000 (Revised) and ISAE 3410 involves assessing the risks of material misstatement of the Subject Matter information, whether due to fraud or error, responding to the assessed risks as necessary in the circumstances of the engagement and evaluating the overall presentation of the Subject Matter information.

Our engagement also included: assessing the appropriateness of the Subject Matter, the suitability of the criteria used by the Company in preparing the Subject Matter information in the circumstances of the engagement, evaluating the appropriateness of the procedures used in the preparation of the Subject Matter information and the reasonableness of estimates made by the Company.

Limited assurance is less than absolute assurance and reasonable assurance. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Subject Matter information nor of the underlying records or other sources from which the Subject Matter information was extracted.

Procedures performed

Our limited assurance engagement on the Subject Matter information consisted of making enquiries, primarily of persons responsible for the preparation of the Subject Matter information, and applying analytical and other procedures, as appropriate. These procedures were based on our professional judgement and included the following, amongst others, for the year ended 31 December 2023:

- Obtaining an understanding of the collection, compilation and reporting processes for the Company, including obtaining an understanding of the internal controls, systems and processes relevant to the preparation of the Subject Matter;
- Interviewing management and other relevant staff/ personnel at corporate and site level responsible for data collection, data management, and data analysis pertaining to the Indicators in scope;
- Reviewing management documentation and the Company's data reporting tools to the extent they underpin the preparation of the Subject Matter;
- Assessing the appropriateness of the conversion factors applied by the Company in arriving at the Indicator's quantitative data in accordance with the assigned unit of reporting, where applicable;
- Obtaining inventory data for each selected Indicator, at aggregated corporate level as per the reporting boundary developed by management and agreeing the data with the information detailed in the Subject Matter;
- Obtaining inventory breakdown data for each selected Indicator, at site level, to select a sample of sites, and performing the following for each selected site in relation to the Indicators, where applicable:
  - Agreeing the site level Indicator's information to the consolidated data inventory;
  - Obtaining supporting evidence, source data, underlying records, or reports for selected data points to reconcile site level information;
  - Checking aggregation of quantitative data for the Indicators to include all sites in the reporting boundary set by the management;
  - Performing recalculation (where applicable) of the Indicator data of selected site based on site level data obtained from system outputs, reports and other relevant records, and the relevant factors applied; and
- Performing an analytical review of the Indicator data and trends, where relevant and applicable.
- Reviewing the sales data to be used for the purpose of computation of intensity indicators.
- Reviewing the consistency of the qualitative and quantitative information pertaining to the Indicators with the wider Report.

Characteristics and limitations

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Subject Matter may occur and not be detected. The assurance relies on documentation furnished by the Company and interactions with relevant personnel within the Company to validate the self-assessment. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation of the Subject Matter information as the procedures performed were undertaken on a test basis.

Our engagement was not designed to test, verify or audit the completeness and accuracy of system outputs from the Company.

Furthermore, for the purpose of this limited assurance engagement, we have not performed any procedures around:

- Checking of the disclosure of the Indicators in reference to any framework or guidance other than what is entailed in the Applicable Criteria, such as for example, Sustainability Accounting Standards Board ('SASB'), Taskforce for Climate-related Financial Disclosures ('TCFD'), World Economic Forum ('WEF'), United Nations Global Compact ('UNGC') etc.
- Assessment of the Subject Matter in relation to guidance other than the defined Applicable Criteria, of the established frameworks mentioned in the Annexure 2 of this report.
- Assessing compliance of other indicators or related information, either qualitative or quantitative, which is not part of the Indicators selected for this engagement, featuring in the Report with the disclosure requirements of any applicable internal or external standards.
- Assessment of accuracy and completeness of the reporting boundaries determined by the management for the purposes of the Report;
- Audit, review or verification of the Subject Matter information nor of the underlying records or other sources from which the Subject Matter information was extracted;
- Assessing the appropriateness of the materiality approach applied by management in preparation of the Report and selection of the material sustainability related Indicators that were subject to limited assurance;
- Testing effectiveness of and detecting any weaknesses in the internal controls over the preparation of the Subject Matter information as the procedures performed were undertaken on a test basis;

- Testing, verifying or auditing the completeness and accuracy of system outputs and other data collecting systems used for the compilation of the Subject Matter information;
- Assessing the completeness and accuracy of the comparative figures that are reported in the Report, including any restatements of comparatives, where applicable;
- Checking the accuracy of any impact disclosures or performance/progress against the baseline year of 2020 in terms of the Company's sustainability targets;
- Ensuring accuracy of the claims or impact assessment or any other data presented by the management in the Report other than the Indicators as mentioned in the Subject Matter information; and
- Assessing the appropriateness of any GHG emissions that may have been excluded by the Company on materiality grounds, to arrive at quantitative value of total CO_2e GHG emissions reported as a part of the Subject Matter, where applicable.

Limited assurance conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter information is not prepared, in all material respects, in accordance with the Applicable Criteria.

Restriction of use of our report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Company, for any purpose or in any context. Any party other than the Company who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at it's own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the Company for our work, for this independent limited assurance report, or for the conclusions we have reached.

Our report is released to the Company on the basis that it shall not be copied, referred to or disclosed, in whole (save for the Company's own internal purposes) or in part, without our prior written consent.

KPMG Professional Services
Fahad Mubark Aldossari

License no: 469
Riyadh, 28 May 2024
Corresponding to: 20 Dhul Qidah 1445H

Annexure 1

Details of the selected quantitative indicators ('the Indicators') comprising of the Subject Matter and the reporting boundaries are presented:

Environment

Indicator description	Reporting boundary	Page number of Integrated Annual Report 2023 where the Indicators are disclosed
1. Greenhouse gas ('GHG') (Scope 1 & 2) emissions (equity share basis)	Reporting boundary will comprise of all project entities in which ACWA Power has equity shares and the project plant of which has reached full plant commercial operation date.	105
2. CO_2 Intensity		102
3. Water withdrawal		115
4. Water discharge		115
5. Water consumption		115

Social (employee wellness)

Indicator description	Reporting boundary	Page number of Integrated Annual Report 2023 where the Indicators are disclosed
6. Training completed and average training hours	Reporting boundary comprises of First National Holding Company ('NOMAC'), including all its subsidiaries or any entity in which NOMAC holds a majority shareholding, and corporate entities owned by ACWA Power and its subsidiaries.	122 and 124
7. Total Recordable injury & Recordable injury rate		131
8. Fatalities		131

Annexure 2

Details of Applicable Criteria for each selected quantitative Indicator:

#	Indicator Category	Indicator	Relevant Established Framework	Calculation formula applicable to the Indicator in scope	Relevant section of framework referred to as the Applicable Criteria
1	Environment	Equity share of Scope 1 and Scope 2 Greenhouse gas ('GHG') emissions	GHG Protocol	**Scope 1** CO_2e emission (fuel 1) (tonnes) = [Sum of CO_2 emissions (tonnes) * CO_2 GWP] + [Sum of CH_4 emissions (tonnes) * CH_4 GWP] + [Sum of N_20 emissions (tonnes) * N_2O GWP] **Scope 2** Scope 2 emissions (tonnes CO_2e) = consumed electricity (MWh) x electric grid emission factor for the relative country (tonnes CO_2e/MWh)	**For Scope 1:** Chapter 6 'identifying and calculating GHG Emissions' on Page 40 to 47 of The Greenhouse Gas Protocol (A Corporate Accounting and Reporting Standard – revised edition) **For Scope 2:** Chapter 6 'Calculating Emissions' Page 43 to 57 of GHG protocol Scope 2 Guidance (An amendment to the GHG Protocol Corporate Standard)
2	Environment	CO_2 intensity	GRI Standard	CO_2 intensity = Scope 1 + Scope 2 emissions/(gross electricity generation) or (RO water desalination) or (thermal water desalination)	Compilation requirement 2.7.1 of Disclosure 305–4 related to 'GHG emission intensity' on page 567 of GRI 305 'Emission 2016' of GRI Standards
3	Environment	Water Withdrawal	GRI Standard	NA as absolute value	Requirement (a) of Disclosure 303–3 'Water withdrawal' on page 523 of GRI standard 303 'Water and Effluents 2018'
4	Environment	Water Discharge	GRI Standard	NA as absolute value	Requirement (a) of Disclosure 303–4 'Water discharge' page 523 of GRI standard 303 'Water and Effluents 2018'
5	Environment	Water Consumption	GRI Standard	Water Consumption (m^3) = [water withdrawal (m^3)] – [water discharged (m^3)] (Aligned with guidance of disclosure in GRI 303–5)	Guidance for Disclosure 303–5 'Water consumption' page 528 of GRI standard 303 'Water and Effluents 2018'
6	Social (Employee Wellness)	Training completed and average training hours per employee	GRI Standard	Average training hours per employee = Total numbers of training hours provided to employees/total number of employees	Guidance for Disclosure 404–1 'Average hours of training per year per employee' on page 694 of GRI standard 404 'Training and Education 2016'
7	Social (Employee Wellness)	Recordable injury rate (Case injury rate) and lost time injury rates	Occupational Safety and Health Administration ('OSHA') Standard	Recordable Injury Rate (RIR) = Recordable work-related injuries/ Numbers of work hours × 200,000 Lost Time Injury (LTI) Rate = LTI/Numbers of work hours × 200,000 [LTI equates to days away from work]	Standard Number 1904.7 'General Recording Criteria' of Part number 1904 'Recording and Reporting Occupational Injuries and Illnesses' of OSHA Standard provided on following website link: 1904.7 – General recording criteria. | Occupational Safety and Health Administration (osha.gov) Formula of Recordable injury rate and Lost time injury is based on standard interpretation 'Clarification on how the formula is used by OSHA to calculate incident rates' provided on following website link: Clarification on how the formula is used by OSHA to calculate incident rates | Occupational Safety and Health Administration
8	Social (Employee Wellness)	Fatalities	OSHA Standard	NA as absolute value	Clause 1904.7 (b)(2) of Standard Number 1904.7 'General Recording Criteria' of Part number 1904 'Recording and Reporting Occupational Injuries and Illnesses' of OSHA Standard provided on following website link: 1904.7 – General recording criteria. | Occupational Safety and Health Administration (osha.gov)

DISCLAIMER

This Integrated Annual Report (the 'Report') and the information contained herein (the 'Information') has been prepared by ACWA Power Company (the 'Company' or 'ACWA Power') for background purposes only and does not purport to be full, accurate or complete. No reliance may be placed for any purpose on the Information or its accuracy, fairness or completeness. The Information are presented as at December 31 2023 and reflect the circumstances and opinions as at the issue date of the Report and are subject to change without notice. The Report is the sole responsibility of the Company and has not been reviewed or approved by any regulatory or supervisory authority.

This Report contains publicly available financial information regarding the businesses and assets of the Company. Such financial information may not have been audited, reviewed or verified by any independent accounting firm. The inclusion of such financial information in this Report or any related Report should not be regarded as a representation or warranty by the Company or its affiliates, advisors or representatives or any other person as to the accuracy or completeness of such Information's portrayal of the financial condition or results of operations of the Company and its consolidated subsidiaries.

Information contained in this Report may be based on management accounts and estimates of the Company and not have been audited or reviewed by the Company's auditors. Recipients should not place undue reliance on this information. This Report includes certain non-IFRS financial measures and other metrics which have not been subject to a financial audit for any period. Certain financial and statistical data in this Report have been subject to rounding-off adjustments. Accordingly, the sum of certain data, or any percentage calculations based on such data, may not conform to the expressed total.

To the extent available, the industry, market and competitive position data contained in the Information come from official or third-party sources. Third-party industry publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. While the Company reasonably believes that each of these publications, studies and surveys has been prepared by a reputable party, neither the Company nor any of its directors, officers, employees, affiliates, advisors or agents have independently verified the data contained therein. In addition, certain industry, market and competitive position data contained in the Information come from the Company's own internal research and estimates based on the knowledge and experience of the Company's management in the markets in which the Company operates. While the Company reasonably believes that such research and estimates are reasonable and reliable, they, and their underlying methodology and assumptions, have not been verified by any independent source for accuracy or completeness and are subject to change. Accordingly, reliance should not be placed on any of the industry, market or competitive position data contained in the Information.

The Information does not purport to be comprehensive, complete or without error or omission. To the fullest extent permitted by law, neither the Company nor any of its Directors, officers, employees, agents, affiliates or advisors, accepts any responsibility or liability whatsoever for (whether in contract, tort or otherwise) or makes any representation, warranty or undertaking, express or implied, as to the truth, fullness, fairness, accuracy or completeness of the Information (or whether any information has been omitted from it) or any other information or opinion relating to the Company, its subsidiaries, affiliates or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss or liability (including in respect of direct, indirect or consequential loss or damage) howsoever arising from any use of the Information or otherwise arising in connection therewith. In giving this Information, neither the Company nor any of its directors, officers, employees, agents, affiliates or advisors undertake any obligation to provide access to any additional information or to update the Information, or to correct any inaccuracies in the Information, including any data or forward-looking statements.

The Information may include forward-looking statements, which are based on current expectations and projections about future events. These statements may include, without limitation, any statements preceded by, followed by or including words such as 'target', 'believe', 'expect', 'aim', 'intend', 'may', 'anticipate', 'estimate', 'plan', 'project', 'will', 'can have', 'likely', 'should', 'would', 'could' and other words and terms of similar meaning or the negative thereof. These forward-looking statements are subject to risks, uncertainties and assumptions about the Company and it's subsidiaries and it's investments, including, among other things, the development of it's business, financial condition, prospects, growth, strategies, as well as the trends in the industry and macroeconomic developments in Saudi Arabia and other countries in which the Company operates. Many of these risks and uncertainties relate to factors that are beyond the Company's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behaviour of other market participants, the actions of regulators and any changes in applicable laws or government policies. In light of these risks, uncertainties and assumptions, the events in the forward-looking statements may not occur and past performance should not be taken as a guarantee of future results. No representation or warranty is made that any forward-looking statement will come to pass. No-one undertakes to update, supplement, amend or revise any such forward-looking statement. Except where otherwise indicated, the information and the opinions contained herein are provided as at the issue date of the Report and are subject to change without notice. Past performance of the Company cannot be relied on as a guide to future performance. Nothing in this Report is to be construed as a profit forecast.

GLOSSARY

ACWA Power, the Company, the Group	ACWA Power and its subsidiaries (Saudi listed joint stock company)
ABPD	Annual Business Development Plan
AI	Artificial Intelligence
AICE	Asia Innovation Contracting Est.
APREH	ACWA Power Renewable Energy Holdings
BAC	Board Audit Committee
BDTS	Business Development Technical Services
BEC	Board Executive Committee
BU	Business Unit
BESS	Battery Energy Storage System
BIM	Building Information Modelling
C-Suite	Top management positions
CAGR	Compound Annual Growth Rate
CCGT	Combined Cycle Gas Turbine
CCS	Carbon Capture and Storage
CCUS	Carbon Capture Utilisation and Storage
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGR	Corporate Governance Regulations
China	People's Republic of China
CIO	Chief Information Officer
CIS	Commonwealth of Independent States: Armenia, Azerbaijan, Belarus, Kazakhstan, Krygyzstan, Moldova, Russia, Tajikistan, Uzbekistan
CMA	Capital Market Authority
COD	Commercial Operation Date
CoE	Centre of Excellence
COMO	Chief Operations and Maintenance Officer
CPMO	Chief Portfolio Management Officer
CPCCO	Chief of People, Culture and Communications Officer
CSP	Concentrating Solar Power
CSR	Corporate Social Responsibility
CTO	Chief Technical Officer
EBL	Equity Bridge Loans
EMO	Executive Management Officer
EPC	Engineering, Procurement and Construction
EGA	Extraordinary General Assembly
Equity LC	Equity Letter of Credit
ERM	Enterprise Risk Management
ESG	Environmental, Social and Governance
ESIA	Environmental and Social Impact Assessment
FC	Financial Close
FRM	Fraud Risk Management
GCC	Gulf Cooperation Council: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GRC	Governance, Risk and Compliance
GRI	Global Reporting Initiative
GW	Gigawatt
HFO	Heavy Fuel Oil
HIWPT	Higher Institute for Water and Power Technologies
IA	Investment Agreement
ICOD	Initial Commercial Operation Date
IFRS	International Financial Reporting Standards
IGCC	Integrated Gasification Combined Cycle
IoT	Internet of Things
IPO	Initial Public Offering
IPP	Independent Power Project
IRR	Internal Rate of Return
IWP	Independent Water Project
IWPP	Independent Water and Power Project
IWSPP	Independent Water, Steam and Power Project
KAUST	King Abdullah University of Science and Technology
KPI	Key Performance Indicator
KSA	Kingdom of Saudi Arabia
KYC	Know Your Customer
LNTP	Limited Notice To Proceed
LC	Letter of Credit
LCOW	Levelised cost of water
LTI	Lost Time Injury
LTIP	Long-Term Incentive Plan
LTI rate	Lost Time Injury rate (incidents per one million hours worked)
m^3	Cubic metre
MBA	Master of Business Administration
MBTU	Million British Thermal Unit
MC	Management Committee
MCIT	Ministry of Communications and Information Technology
MD&A	Management Discussion and Analysis
MED	Multiple Effect Distillation
MENA	Middle East and North Africa
MES	Maintenance Energy Services
MIS	Management Information Systems
MIT	Massachusetts Institute of Technology
ML	Machine Learning
MoE	Ministry of Energy
MOU	Memorandum Of Understanding
MPC	Monitoring and Prediction Centre
MSF	Multiple Stage Flash
Mt	Metric tonne
MTPA	Million Tonnes per Annum
MVP	Minimum Viable Product
MWP	Megawatt Peak
NCI	Non-Controlling Interests
NOMAC	First National Operations & Maintenance Company
NPS	Net Promoted Score
NRC	Nomination and Remuneration Committee
O&M	Operation and Maintenance
O&M RD	Operations and Maintenance Regional Director
OEM	Original Equipment Manufacturer

OSHA	Occupational Safety and Health Administration
OHSE	Occupational Health, Safety and Environment
OT	Operational Technology
OTS	Owner's Technical Specification
PCCO	People, Culture and Communications Officer
PCOD	Project Commercial Operation Date
PEO	Project Execution Office
PGM	Plant General Manager
PIF	Public Investment Fund
PMRD	Portfolio Management Regional Director
POCF	Parent Operating Cashflow
PPA	Power Purchase Agreement
PPP	Public Private Partnership
PPGTA	Power Purchase and Gas Tolling Agreement
PV	Photovoltaic
PVPP	Photovoltaic Power Purchase
PWPA	Power and Water Purchase Agreement
QA/QC	Quality Assurance/Quality Control
RAF	Risk Appetite Framework
RCA	Root Cause Analysis
RDIA	Research Development and Investment Authority
REPDO	Renewable Energy Projects Development Office
RES	Renewable Energy Sources
RMC	Risk Management Committee
RO	Reverse Osmosis
ROS	Reliability of Supply
SABB	Saudi Arabia British Bank
SAGIA	Saudi Arabian General Investments Authority
SAR/SR	Saudi Arabian Riyal
SBDP	Strategic Business Development Plan
SDAIA	Saudi Data and Artificial Intelligence Authority
SIBOR	Saudi Arabia Interbank Offered Rate
SPA	Sale Purchase Agreement
SPC	Specific Power Consumption
SPPC	Saudi Power Procurement Company
SRF	Silk Road Fund
SRR	Strategic Risk Review
STIP	Short-Term Investment Plan
SWRO	Seawater Reverse Osmosis
TCFD	Taskforce on Climate-related Financial Disclosures
t CO_2e	Tonne of CO_2 equivalent
TDS	Total Dissolved Solids
TFC	Thin Film Composite
TIC	Total Investment Cost
TSE	Treated Sewage Effluent
UAE	United Arab Emirates: Abu Dhabi, Ajman, Dubai, Fujairah, Ras Al Khaimah, Sharjah, Umm Al Quwain
UCLA	University of California, Los Angeles
UX	User Experience
Uzbekistan	Republic of Uzbekistan
VOC	Volatile Organic Compound
WECA	Water and Energy Conversion Agreement
WETIC	Water and Environment Technologies Company
WPA	Water Purchase Agreement

LOCATIONS AND ADDRESSES

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Energy transition takes ambition...

ACWA Power aims to maintain its position as a world leader in water desalination by 2030

Shuaibah IWPP, the oil-fired thermal IWPP is being converted into a energy efficient 600,000 m^3/day SWRO project by integrating 65 MWp PV, replacing boilers and MSF technology, saving of nine million tonnes of CO_2/year.

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Kingdom of Saudi Arabia
Commercial Registration No 1010425494
Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية
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صندوق بريد 92876
الرياض 11663
المملكة العربية السعودية
سجل تجاري رقم 1010425494
المركز الرئيسي في الرياض

Independent Auditor's Report

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

Opinion

We have audited the consolidated financial statements of ACWA Power Company (A Saudi Joint Stock Company) and its subsidiaries ('the Group'), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organisation for Chartered and Professional Accountants (SOCPA).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG Professional Services, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with a paid-up capital of SAR 40,000,000 (previously known as 'KPMG Al Fozan & Partners Certified Public Accountants') and a non-partner member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

.كي بي إم جي للاستشارات المهنية شركة مهنية مساهمة مقفلة، مسجلة في المملكة العربية السعودية، رأس مالها (40,000,000) ريال سعودي مدفوع بالكامل، المسماة سابقاً 'شركة كي بي إم جي الفوزان وشركاه محاسبون ومراجعون قانونيون'. و هي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان. جميع الحقوق محفوظة.

Impairment of non-financial assets (other than goodwill)

The key audit matter

As at 31 December 2023, the carrying value of the property, plant and equipment and investment in Equity Accounted Investees (EAI) included in the consolidated statement of financial position amounted to SAR 10,292 million (2022: SAR 10,106 million) and SAR 15,873 million (2022: SAR 12,624 million) respectively.

Property, plant and equipment mainly comprise of plants operated by the Group under operating lease arrangements. Further, results of EAI primarily depend on the performance of the plants held by EAI. Any changes in technology, market expected returns or regulatory changes may impact the recoverable amount of these plants and consequently impact the Group's valuation of these plants either capitalised as property, plant and equipment or forming part of the net assets of EAIs.

Where indicators of impairment are identified, management performs impairment assessment on the recoverable amount of property, plant and equipment and investment in EAIs at both Group and investee level, in case of EAIs.

The recoverable amounts were mostly determined based on value-in-use calculations using discounted cash flows models. The models were based on most recent financial plan and included projection periods over the term of the relevant agreements with the offtaker or the remaining economic useful life of an asset.

We identified impairment of property, plant and equipment and investment in equity accounted investees as a key audit matter as determining recoverable amount involves significant judgements and use of assumptions by management such as:

- Estimating cash flows that the Cash-Generating Unit (CGU) is expected to generate including assessment of underlying assumptions with respect to useful life, production volumes and capacity variations etc.; and
- Determination of the pre-tax discount rates to use for discounting these cash flows.

How the matter was addressed in our audit

We performed the following procedures:

- Obtain an understanding of the management's process of identifying the impairment indicators and performing impairment assessment on non-financial assets where impairment indicators exists.
- Performed multiple risk assessment procedures including and not limited to inquiries with management and internal audit, inspection of minutes of meetings, and financial performance of the assets to identify and assess impairment indicators at the plant and investee company level.
- For the assets where the impairment indicators were identified, we performed the following procedures:
  - Obtained and evaluated the impairment assessment performed by management for each component where indicators for impairment were identified;
  - Assessed and tested the reasonableness of assumptions used by management in impairment assessment;
  - Discussed with management and inspected the underlying evidence based on which impairment assessments were prepared;
  - Engaged KPMG valuation specialists to consider the appropriateness of the discount rate used for impairment assessment; and
  - Tested the accuracy of the impairment assessment model.
- Assessed adequacy of Group`s disclosures in the consolidated financial statements.

Refer to note 3 in the consolidated financial statements for material accounting policies, note 4 for estimates, assumptions and judgements relating to impairment of non-financial assets, note 5 for property, plant and equipment and note 7 for investment in equity accounted investees.

Impairment of goodwill

The key audit matter

As of 31 December 2023, the carrying value of the goodwill in the Group's financial statements amounted to SAR 1,915 million.

The goodwill is allocated at operating segment level of Thermal & Water Desalination, and Renewable.

Management of the Company has performed an annual impairment assessment of goodwill and concluded that the goodwill is not impaired as at 31 December 2023.

The model was based on the most recent financial plans and cash flows that are estimated over the expected period of the underlying projects' lives within a particular operating segment.

We considered this to be a key audit matter given the significant judgement and estimation required to determine recoverable amounts of the operating segments and uncertainty inherent in underlying forecasts and assumptions.

How the matter was addressed in our audit

We performed the following procedures:

- We considered the process followed by management for the identification of the Cash-Generating Unit (CGU) and assessed its appropriateness. Further, we assessed reasonableness of allocation of goodwill to each identified operating segment.
- We obtained the impairment assessment model used by management to assess Goodwill impairment and we performed the following procedures:
  - We checked the accuracy and reasonableness of the underlying information, on a sample basis, used for the impairment assessment of Goodwill;
  - We considered reasonableness of the assumptions used in the impairment assessment by considering management's most approved plans, cash flow estimates, our understanding of the business and other corroborating evidence gathered during the audit;
  - We involved KPMG valuation specialist for assessing the calculation performed by management in determining the discount rate;
  - We assessed the sensitivity of the results of the recoverable amount to the various key assumptions, such as long-term growth rate and discount rate, within a reasonably possible range reflective of the current environment; and
  - We tested mathematical accuracy of the calculations.
- We assessed the adequacy of disclosures in the consolidated financial statements in respect of goodwill impairment assessment.

→ See Note 3 to the consolidated financial statements for the accounting policy relating to goodwill and note 6.1 for the related disclosure.

Valuation of derivative financial instruments and hedge effectiveness	
The key audit matter	**How the matter was addressed in our audit**
As at 31 December 2023, the positive and negative fair value of derivatives held by the Group amounted to SAR 843 million and SAR 63 million respectively. The Group has entered into various derivative transactions, including interest rate swap, forward foreign exchange contracts and options. Swaps, forwards and options derivative contracts are over the counter (OTC) derivatives that are not traded in active markets and hence, the valuation of these contracts is subjective as it takes into account a number of assumptions which often involves the exercise of judgement by management. An inappropriate valuation of derivatives could have a material impact on the consolidated financial statements and can have an impact in hedge accounting thereon. Application of hedge accounting requires robust documentation and compliance with hedge effectiveness requirements and parameters. We considered this as a key audit matter as there is complexity and subjectivity involved in determining the valuation, where complex modelling techniques are being used. Further, assessing the hedge effectiveness, involves high degree of judgement and significant impact on the financial statements, in case of hedge ineffectiveness.	We performed the following procedures: • Obtained an understanding about the Group's valuation process with respect to its derivatives and accounting for hedge relationships. • For a selected sample of derivatives, we performed the following procedures: – Obtained counterparty bank confirmation for valuation of derivatives and compared with the valuation of derivatives reflected in the financial statements; – Involved KPMG specialists to perform an independent valuations of the derivatives and compared the result with the valuation used by management and evaluated any variances noted; and – Tested the accuracy of the particulars of derivatives selected for independent valuation by our specialist by tracing the details to the relevant derivative agreements; • Inspected hedge documentation for a sample of hedge arrangements and performed the following procedures: – Involved our specialists to evaluate the hedge effectiveness assessment performed by the Group; and – Considered the appropriateness of hedge accounting and assessed whether the accounting is in line with the requirements of the relevant accounting and reporting standards. • Considered the adequacy of the disclosures in the financial statements relating to the valuation basis and inputs used in the fair value measurement.

→ See Note 3 to the consolidated financial statements for the accounting policy relating to derivative financial instruments and note 22 for the related disclosure.

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 9 Sha'ban 1444H (corresponding to 1 March 2023).

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies and Company's By-laws and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, the Board of Directors, is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of ACWA Power Company (A Saudi Joint Stock Company) and its subsidiaries ('the Group').

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Professional Services

Dr Abdullah Hamad Al Fozan
License No 348

Riyadh on February 29, 2024
Corresponding to: Sha'ban 19, 1445

Consolidated statement of financial position

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	As of 31 Dec 2023	As of 31 Dec 2022
Assets			
Non-current assets			
Property, plant and equipment	5	10,292,460	10,105,713
Intangible assets	6	2,047,374	2,028,830
Equity accounted investees	7	15,873,449	12,624,518
Net investment in finance lease	8	11,234,491	11,501,842
Deferred tax asset	21.4	153,323	119,955
Fair value of derivatives	22	754,927	924,537
Other assets	9	379,812	397,775
Total non-current assets		**40,735,836**	**37,703,170**
Current assets			
Inventories	10	479,322	406,820
Net investment in finance lease	8	382,185	378,486
Fair value of derivatives	22	88,153	106,131
Due from related parties	23	1,356,247	985,120
Accounts receivable, prepayments and other receivables	11, 40.2	3,214,580	2,771,708
Short-term investments	13, 40.2	1,217,791	199,998
Cash and cash equivalents	12, 40.2	4,740,941	6,154,524
		11,479,219	**11,002,787**
Assets held for sale	34.3, 34.6	2,803,259	139,963
Total current assets		**14,282,478**	**11,142,750**
Total assets		**55,018,314**	**48,845,920**

	Note	As of 31 Dec 2023	As of 31 Dec 2022
Equity and liabilities			
Equity			
Shareholders' equity			
Share capital	14.1	7,134,143	7,134,143
Share premium		5,335,893	5,335,893
Statutory reserve		1,038,937	872,766
Retained earnings		3,247,401	2,080,853
Proposed dividends	14.3	328,995	606,813
Equity attributable to owners of the Company before other reserves		**17,085,369**	**16,030,468**
Other reserves	14.5	2,072,589	2,629,419
Equity attributable to owners of the Company		**19,157,958**	**18,659,887**
Non-controlling interest	15	1,550,933	1,368,507
Total equity		**20,708,891**	**20,028,394**
Liabilities			
Non-current liabilities			
Long-term financing and funding facilities	16	23,549,709	22,332,678
Due to related parties	23	854,938	862,887
Deferred tax liability	21.4	163,476	214,277
Obligation for equity accounted investees	7	623,129	68,370
Fair value of derivatives	22	62,908	1,669
Deferred revenue	18	139,746	90,651
Employee end of service benefits' liabilities	17	211,298	190,788
Other liabilities	24	767,562	820,070
Total non-current liabilities		**26,372,766**	**24,581,390**
Current liabilities			
Accounts payable, accruals and other financial liabilities	19, 40.2	3,149,023	2,595,791
Short-term financing facilities	20	316,876	275,052
Current portion of long-term financing and funding facilities	16	1,613,301	1,039,904
Due to related parties	23	79,157	88,603
Zakat and taxation	21.3	194,095	236,786
		5,352,452	**4,236,136**
Liabilities associated with assets held for sale	34.6	2,584,205	–
Total current liabilities		**7,936,657**	**4,236,136**
Total liabilities		**34,309,423**	**28,817,526**
Total equity and liabilities		**55,018,314**	**48,845,920**

The attached notes 1 to 41 form an integral part of these consolidated financial statements.

Consolidated statement of profit or loss

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	For the year ended 31 December	
		2023	2022
Continuing operations			
Revenue	25	6,095,010	5,275,930
Operating costs	26	(2,599,830)	(2,410,582)
Gross profit		**3,495,180**	**2,865,348**
Development cost, provision and write-offs, net of reversals	11.3	(69,582)	(35,438)
General and administration expenses	27	(1,236,692)	(1,029,339)
Share in net results of equity accounted investees, net of zakat and tax	7.1.1	244,571	294,442
Other operating income	28	550,308	519,748
Operating income before impairment loss and other expenses		**2,983,785**	**2,614,761**
Impairment loss and other expenses, net	30	(213)	(251,510)
Operating income after impairment loss and other expenses		**2,983,572**	**2,363,251**
Other income	29, 40.1	92,131	276,261
Finance income	40.1	231,434	118,391
Exchange gain/(loss), net	31	2,774	(36,934)
Financial charges	32	(1,474,903)	(1,228,822)
Profit before zakat and income tax		**1,835,008**	**1,492,147**
Zakat and tax charge	21.1	(53,731)	(232,841)
Profit for the year from continuing operations		**1,781,277**	**1,259,306**
Discontinued operations			
Gain from discontinued operations including loss recognised on assets held for sale	34.9	(9,948)	217,104
Profit for the year		**1,771,329**	**1,476,410**
Profit/(loss) attributable to:			
Equity holders of the parent		1,661,714	1,540,035
Non-controlling interests		109,615	(63,625)
		1,771,329	**1,476,410**
Basic and diluted earnings per share to equity holders of the parent (in SR)	**33.2**	**2.27**	**2.11**
Basic and diluted earnings per share from continuing operations to equity holders of the parent (in SR)	**33.2**	**2.29**	**1.81**

The attached notes 1 to 41 form an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	For the year ended 31 December	
		2023	2022
Profit for the year		**1,771,329**	**1,476,410**
Other comprehensive (loss)/income			
Items that are or may be reclassified subsequently to profit or loss			
Foreign operations – foreign currency translation differences		(12,750)	(337)
Change in fair value of cash flow hedge reserve		51,574	1,977,505
Settlement of cash flow hedges transferred to profit or loss		96,848	(41,924)
Cash flow hedge reserve recycled to profit or loss upon termination of hedge relationships	14.5, 29.1	–	(56,546)
Cash flow hedge reserve recycled to profit or loss on loss of control of a subsidiary	34.2	–	(510,382)
Equity accounted investees – share of OCI	14.5, 7.1	(688,834)	2,942,468
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	14.5	(6,769)	(555)
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit liability	17.1	(7,118)	5,796
Total other comprehensive (loss)/income		**(567,049)**	**4,444,663**
Total comprehensive income		**1,204,280**	**5,921,073**
Total comprehensive income attributable to:			
Equity holders of the parent		1,104,884	5,741,733
Non-controlling interests		99,396	179,340
		1,204,280	**5,921,073**

The attached notes 1 to 41 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	For the year ended 31 December 2023	2022
Cash flows from operating activities			
Profit before zakat and tax from continuing operations		1,835,008	1,492,147
Profit before zakat and tax from discontinued operations		(9,927)	217,137
Adjustments for:			
Depreciation and amortisation	5.3, 6.2	463,141	465,817
Financial charges	32, 40.1	1,474,903	1,228,674
Unrealised exchange (gain)/loss	31, 40.1	(15,510)	56,756
Share in net results of equity accounted investees, net of zakat and tax	7.1	(237,804)	(291,373)
Charge for employees' end of service benefits	17.1	51,712	35,629
Fair value of cash flow hedges recycled to profit or loss		276	(5,933)
Provisions		73,539	112,442
Provision for long-term incentive plan	24.3, 27	36,100	30,814
Gain on disposal of property, plant and equipment		(5,823)	(23,278)
Impairment loss in relation to property, plant and equipment and goodwill	30.1	–	121,595
Gain recognised on loss of control in a subsidiary	34.5, 34.7	(3,398)	(235,700)
Development cost, provision and write-offs, net of reversals	11.3	69,582	35,438
Loss on disposal of an equity accounted investee		8,628	17,179
Finance income from shareholder loans and deposits		(441,479)	(259,152)
Gain on remeasurement of derivatives and options	29	(54,412)	(106,986)
		3,244,536	**2,891,206**
Changes in operating assets and liabilities:			
Accounts receivable, prepayments and other receivables		(559,721)	(440,893)
Inventories		(80,098)	(28,948)
Accounts payable, accruals and other liabilities		200,081	(7,110)
Due from related parties		289,919	(17,643)
Due to related parties		(61,749)	–
Net investment in finance lease		303,833	410,719
Deferred revenue		49,095	36,320
Net cash from operations		**3,385,896**	**2,843,651**
Payment of employees' end of service benefits and long-term incentive	17.1, 24.3	(68,820)	(29,874)
Zakat and tax paid	21.3	(183,509)	(101,080)
Dividends received from equity accounted investees	7.1, 11	211,332	198,670
Net cash generated from operating activities		**3,344,899**	**2,911,367**

	Note	For the year ended 31 December 2023	2022
Cash flows from investing activities			
Addition to property, plant and equipment, and intangible assets		(3,682,008)	(1,562,870)
Proceeds on disposal of equity accounted investees, net of transaction cost		74,019	391,440
Proceeds on partial disposal of subsidiary without loss of control		–	60,905
Proceeds on disposal of property, plant and equipment		58,147	26,982
Investments in equity accounted investees		(3,359,018)	(949,054)
Finance income from deposits		231,434	118,391
Other assets		–	(236,250)
Short-term deposits with original maturities of more than three months	13	(1,017,793)	(199,998)
Cash deconsolidated on loss of control		(713,198)	(11,162)
Net cash used in investing activities		**(8,408,417)**	**(2,361,616)**
Cash flows from financing activities			
Proceeds from financing and funding facilities, net of transaction cost		6,685,150	6,023,840
Repayment of financing and funding facilities		(827,934)	(3,284,988)
Due to related parties		–	(757,933)
Financial charges paid		(1,575,310)	(1,281,418)
Dividends paid	14.3	(705,992)	(625,619)
Capital contributions from and other adjustments to non-controlling interest		182,209	351,672
Net cash generated from financing activities		**3,758,123**	**425,554**
Net (decrease)/increase in cash and cash equivalents during the year		**(1,305,395)**	**975,305**
Cash and cash equivalents at beginning of the year		6,154,524	5,172,921
Cash and cash equivalents in relation to assets classified as held for sale	34.6	(100,281)	–
Net foreign exchange difference		(7,907)	6,298
Cash and cash equivalents at end of the year	**12**	**4,740,941**	**6,154,524**

The attached notes 1 to 41 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Share capital	Share premium	Statutory reserve	Retained earnings	Proposed dividends	Other Reserves (note 14.5)	Equity attributable to owners of the parent	Non–controlling interests	Total equity
Balance at 1 January 2022	**7,134,143**	**5,335,893**	**718,763**	**1,307,826**	**560,000**	**(1,572,279)**	**13,484,346**	**835,799**	**14,320,145**
Profit/(loss) for the period	–	–	–	1,540,035	–	–	1,540,035	(63,625)	1,476,410
Other comprehensive income	–	–	–	–	–	4,201,698	4,201,698	242,965	4,444,663
Total comprehensive income	–	–	–	1,540,035	–	4,201,698	5,741,733	179,340	5,921,073
Changes to non–controlling interests	–	–	–	–	–	–	–	351,672	351,672
Divestment in subsidiary without loss of control (note 15.2)	–	–	–	(3,245)	–	–	(3,245)	64,150	60,905
Dividends (note 14.3)	–	–	–	(2,947)	(560,000)	–	(562,947)	(62,454)	(625,401)
Proposed dividends (note 14.3)	–	–	–	(606,813)	606,813	–	–	–	–
Transfer to statutory reserve	–	–	154,003	(154,003)	–	–	–	–	–
Balance at 31 December 2022	**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**
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	–	–	–	1,661,714	–	–	1,661,714	109,615	1,771,329
Other comprehensive loss	–	–	–	–	–	(556,830)	(556,830)	(10,219)	(567,049)
Total comprehensive income/(loss)	–	–	–	1,661,714	–	(556,830)	1,104,884	99,396	1,204,280
Changes to non–controlling interests	–	–	–	–	–	–	–	182,209	182,209
Dividends (note 14.3)	–	–	–	–	(606,813)	–	(606,813)	(99,179)	(705,992)
Proposed dividends (note 14.3)	–	–	–	(328,995)	328,995	–	–	–	–
Transfer to statutory reserve	–	–	166,171	(166,171)	–	–	–	–	–
Balance at 31 December 2023	**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**

The attached notes 1 to 41 form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

(All amounts in Saudi Riyals thousands unless otherwise stated)

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, offtaker contracts under utility services outsourcing models in the Kingdom of Saudi Arabia and internationally.

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

Entity name	Country of incorporation	Principal activities	Direct shareholding	
			2023	2022
ACWA Power Saudi Electricity and Water Development Company ('APSE')	Kingdom of Saudi Arabia	Investment in industrial and commercial enterprises and management; and managing office.	100.00%	100.00%
Kahromaa Company ('KAHROMAA')	Kingdom of Saudi Arabia	Installation, maintenance and operation contracting of electricity generation and desalination plants.	99.97%	99.97%
ACWA Power Reinsurance Co. Ltd. (captive insurance) **('ACWA Re')**	United Arab Emirates (Dubai International Financial Centre – 'DIFC')	To effect and carry out contracts of insurance restricted to those of a Class 3 Captive Insurer. Under its captive license, ACWA Re can insure a part of its own affiliate's assets and that of related third party.	100.00%	100.00%
Multiple Shares Company ('MSC')	Kingdom of Saudi Arabia	Installation, maintenance and operation, contracting of electricity generation and desalination plants.	95.00%	95.00%
ACWA Power Bahrain Holdings W.L.L. ('APBH')	Kingdom of Bahrain	Installation, maintenance and operation contracting of electricity generation and desalination plants.	99.73%	99.73%
ACWA Power Global Services Ltd. ('APGS')	United Arab Emirates (DIFC)	Own investments in group of companies, provide financial advisory, book-keeping and reporting, tax compliance and related services.	100.00%	100.00%
ACWA Power Management and Investments One Ltd. ('APMI One')	United Arab Emirates (DIFC)	Investment in industrial and commercial enterprises and management; and managing office.	100.00%	100.00%
ACWA Power Renewable Energy Holding Ltd. ('APREH')	United Arab Emirates (DIFC)	Power generation, water desalination and distribution or other business related to or ancillary thereto, development and management of such companies and provision of technical, commercial, administrative services.	51.00%	51.00%
First National Holding Company ('NOMAC')	Kingdom of Saudi Arabia	NOMAC is engaged in constructing, owning, buying, managing, operating and investing in industrial, services and construction projects of power stations, electricity, steam stations, water desalination plants and providing operation and maintenance (O&M) under long-term contracts.	100.00%	100.00%
ACWA Industrial Investment Company	Kingdom of Saudi Arabia	Power generation, water desalination and distribution or other business related to or ancillary thereto.	100.00%	100.00%

1.2 Information of the Group's material subsidiaries as of 31 December controlled, directly or indirectly, through its direct subsidiaries is included in the below table:

Entity name	Country of incorporation	Principal activities	Effective shareholding	
			2023	2022
Rabigh Arabian Water & Electricity Company ('RAWEC')	Kingdom of Saudi Arabia	RAWEC is a captive unit engaged in supplying power, water and steam under a 25-year Water and Energy Conversion Agreement with Rabigh Refining and Petrochemical Company. Its commercial operation commenced in June 2008 and June 2016 for phase 1 and phase 2 respectively.	99.00%	99.00%
Shuaibah 2 Water Development Project Company ('SEPCO II')	Kingdom of Saudi Arabia	SEPCO II is engaged in a 25-year Water Purchase Agreement ('WPA') with Water and Electricity Company ('WEC') for supply of desalinated water. Its commercial operations commenced in June 2019.	100.00%	100.0%
Rabigh Three Company ('Rabigh III')	Kingdom of Saudi Arabia	Rabigh III engaged in a 25-year Water Purchase Agreement ('WPA') with Water and Electricity Company ('WEC') for supply of desalinated water. Its commercial operations commenced in December 2021.	70.00%	70.00%
Sakaka Solar Energy Company ('Sakaka')	Kingdom of Saudi Arabia	Sakaka is engaged in generating renewable energy using Photovoltaics (PV). Sakaka commenced commercial operations in December 2020.	70.00%	70.00%
ACWA Power Ouarzazate S.A. ('APO I')	Kingdom of Morocco	APO1 is engaged in generating renewable energy using Concentrated Solar Power (CSP) technology. Its commercial operations commenced in January 2016.	73.13%	73.13%
ACWA Power Ouarzazate II S.A. ('APO II')	Kingdom of Morocco	APO II is engaged in generating renewable energy using Concentrated Solar Power (CSP) technology. Its commercial operations commenced in 2018.	75.00%	75.00%
ACWA Power Ouarzazate III S.A. ('APO III')	Kingdom of Morocco	APO III is engaged in generating renewable energy using Concentrated Solar Power (CSP) technology. Its commercial operations commenced in 2018.	75.00%	75.00%
Barka Water and Power Company SAOG ('Barka')	Sultanate of Oman	Barka is a listed company on the Muscat Securities Market ('MSM'). It is engaged in operating a power and water desalination plant. Its commercial operations commenced in June 2003.	41.91%	41.91%
Central Electricity Generating Company ('CEGCO')	Jordan	CEGCO is engaged in generation of power and supply to National Electric Power Company ('NEPCO') under various power purchase agreements. Its commercial operations commenced in January 1999. CEGCO also provides operation and maintenance services to some other investees of the Group including Zarqa and Mafraq.	40.93%	40.93%
Al Zarqa Power Plant for Energy Generation ('Zarqa')	Jordan	Zarqa is engaged in generation of power. Zarqa achieved commercial operations in 2018.	60.00%	60.00%

(All amounts in Saudi Riyals thousands unless otherwise stated)

1 Activities (Continued)

Entity name	Country of incorporation	Principal activities	Effective shareholding	
			2023	2022
First National Operations & Maintenance Company Limited ('NOMAC O&M')	Kingdom of Saudi Arabia	NOMAC is engaged in providing Operation and Maintenance (O&M) under long-term contracts, (direct or as a sub-contractor) to various of the Group's subsidiaries and equity accounted investees.	100.00%	100.00%
Rabigh Power Company Limited ('RPC')	Kingdom of Saudi Arabia	Management, operation and maintenance of power plants including the provision of specialised refurbishment and repair services.	100.00%	100.00%
First National Company for Operation & Maintenance Services LLC ('NOMAC Oman')	Sultanate of Oman	Management, operation, maintenance and investment in power stations and desalination plants.	100.00%	100.00%
Rabigh Operation and Maintenance Company ('ROMCO')	Kingdom of Saudi Arabia	Management, operation and maintenance of power plants including the provision of specialised refurbishment and repair services.	60.00%	60.00%
NOMAC Maroc SARLAU	Kingdom of Morocco	Operation and maintenance of power projects in the Kingdom of Morocco.	100.00%	100.00%
NOMAC Gulf O&M LLC	United Arab Emirates	Operation and maintenance of power projects in the United Arab Emirates.	100.00%	100.00%
NOMAC Gulf Coal Energy LLC	United Arab Emirates	Operation and maintenance of the Hassyan Coal Project in the United Arab Emirates.	100.00%	100.00%

Information of the Group's equity accounted investees is included in note 7 of these consolidated financial statements.

2 Basis of preparation and consolidation

These consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB'); and IFRS issued by IASB as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements as issued by the Saudi Organisation for Chartered and Professional Accountants ('SOCPA'), (collectively referred as 'IFRS as endorsed in the Kingdom'). The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

The new Companies Law issued through Royal Decree M/132 on 1/12/1443H (corresponding to 30 June 2022) (hereinafter referred as 'the Law') came into force on 26/6/1444 H (corresponding to 19 January 2023). For certain provisions of the Law, full compliance is expected not later than two years from 26/6/1444H (corresponding to 19 January 2023). The management is in process of assessing the impact of the New Companies Law and will amend its By-laws for any changes to align the Articles to the provisions of the Law. Consequently, the Company shall present the amended Articles of By-laws to the shareholders in their Extraordinary/Annual General Assembly meeting for their ratification.

2.1 Basis of preparation

These 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 consolidated financial statements are presented in Saudi Riyals ('SR') which is the functional and presentation currency of the Company. All values are rounded to the nearest thousand (SR'000), except when otherwise indicated.

2.2 Basis of consolidation

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

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

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

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

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

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- the contractual arrangement with other vote holders of the investee;
- rights arising from other contractual arrangements 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 intra-group 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.

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.

3 Material accounting policies (Continued)
Financial instruments (Continued)
Derivative financial instruments and hedge accounting (Continued)

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.

3 Material accounting policies (Continued)

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 of, 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 of 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 coordinated 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)

(All amounts in Saudi Riyals thousands unless otherwise stated)

3 Material accounting policies (Continued)
Impairment (Continued)
Financial assets (Continued)

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 CGUs 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 note 25.

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.

3 Material accounting policies (Continued)
Revenue recognition (Continued)

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.

3 Material accounting policies (Continued)

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.

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.

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 reinsurance), 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.

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.

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.

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.

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.

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 be 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.

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.

4 Use of estimates and assumptions

The preparation of the consolidated financial statements in conformity with IFRS as endorsed in the Kingdom 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 judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates, by definition, may differ from the related actual results.

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

(i) Impairment of 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.

(ii) Impairment of Goodwill
The management monitors Goodwill at an operating segment level i.e., at a 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.

(iii) 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.

(iv) 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.

(v) 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.

(vi) 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.

(vii) 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 offtaker 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 offtaker, the lease is classified as finance lease otherwise other factors are considered by management which affect the classification of the 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.

(viii) 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.

(ix) Classification of joint arrangements
Classifying a joint arrangement requires the Group to use its judgement 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.

5 Property, plant and equipment ('PPE')

The following rates are used for calculation of depreciation:

Buildings	2% – 7%	Plant, machinery and equipment	2.5% – 25%
Furniture, fixtures and office equipment	10% – 33.3%	Motor vehicles	20% – 25%
Capital spares	3.3% – 12.5%		

	Land and Buildings[1]	Plant, machinery, and equipment[2]	Furniture, fixtures, and office equipment	Capital spares	Motor vehicles	Capital work in progress (CWIP)	Total
Cost:							
At 1 January 2023	917,485	14,733,607	109,807	61,132	39,116	412,588	16,273,735
Additions, net	908	63,396	21,068	12,085	6,507	4,048,709	4,152,673
Disposals	(2,198)	(49,955)	(4,291)	(1,067)	(3,958)	–	(61,469)
De-recognition on loss of control of a subsidiary (note 34.5)	–	–	–	–	–	(1,286,738)	(1,286,738)
Reclassified as held for sale (note 34.6)	–	–	–	–	–	(2,197,230)	(2,197,230)
Foreign currency translation	(350)	(151)	(1,942)	(251)	(81)	–	(2,775)
At 31 December 2023	**915,845**	**14,746,897**	**124,642**	**71,899**	**41,584**	**977,329**	**16,878,196**
Accumulated depreciation and impairment							
At 1 January 2023	513,029	5,481,431	102,664	36,067	34,831	–	6,168,022
Depreciation charge for the year (note 5.3)	26,539	375,924	11,929	11,277	3,200	–	428,869
Relating to disposals	(24)	(4,869)	(312)	(974)	(2,966)	–	(9,145)
Foreign currency translation	(313)	(99)	(1,417)	(153)	(28)	–	(2,010)
At 31 December 2023	**539,231**	**5,852,387**	**112,864**	**46,217**	**35,037**	**–**	**6,585,736**
Carrying amount as of 31 December 2023	**376,614**	**8,894,510**	**11,778**	**25,682**	**6,547**	**977,329**	**10,292,460**

	Land and Buildings[1]	Plant, machinery and equipment[2]	Furniture, fixtures and office equipment	Capital spares	Motor vehicles	Capital work in progress (CWIP)	Total
Cost:							
At 1 January 2022	945,103	15,363,850	112,294	60,650	40,716	1,631,055	18,153,668
Additions	2,572	54,652	13,094	482	4,468	1,228,356	1,303,624
Disposals	(29,762)	(679,980)	(7,041)	–	(2,558)	–	(719,341)
De-recognition on loss of control of a subsidiary (note 34)	–	(4,825)	(6,897)	–	(3,112)	(2,446,823)	(2,461,657)
Foreign currency translation	(428)	(90)	(1,643)	–	(398)	–	(2,559)
At 31 December 2022	**917,485**	**14,733,607**	**109,807**	**61,132**	**39,116**	**412,588**	**16,273,735**
Accumulated depreciation and impairment							
At 1 January 2022	507,570	5,657,863	105,915	29,571	37,021	–	6,337,940
Depreciation charge for the year (note 5.3)	34,326	385,119	11,094	6,496	2,775	–	439,810
Impairment loss (note 30.1)	–	121,595	–	–	–	–	121,595
Relating to disposals	(28,783)	(678,280)	(6,880)	–	(1,694)	–	(715,637)
De-recognition on loss of control of a subsidiary (note 34)	–	(4,775)	(6,240)	–	(2,851)	–	(13,866)
Foreign currency translation	(84)	(91)	(1,225)	–	(420)	–	(1,820)
At 31 December 2022	**513,029**	**5,481,431**	**102,664**	**36,067**	**34,831**	**–**	**6,168,022**
Carrying amount as of 31 December 2022	**404,456**	**9,252,176**	**7,143**	**25,065**	**4,285**	**412,588**	**10,105,713**

5.1 CWIP as of 31 December 2023 and 31 December 2022 is primarily related to certain of the Group's under-construction projects in Egypt, Uzbekistan and Azerbaijan.

5.2 Borrowing costs capitalised during the year amounted to SR 141.4 million (2022: SR 94.0 million) which represents the borrowing incurred during construction phase of qualifying assets.

5.3 Depreciation reflected in profit or loss account is as follows:

	2023	2022
Depreciation charge for the year ended 31 December	428,869	439,810
Depreciation charge in relation to right of use asset	18,376	12,972
Depreciation charge for the year ended 31 December – (refer note 26 & 27)	**447,245**	**452,782**

[1] Cost of land as of 31 December 2023 amounts to SR 120.2 million (31 December 2022: SR 122.4 million).
[2] This primarily represents property, plant and equipment under the operating lease arrangements of the Group entities (note 8).

6 Intangible assets

	Note	As of 31 Dec 2023	As of 31 Dec 2022
Goodwill	6.1	1,915,527	1,924,687
Other intangible assets	6.2	131,847	104,143
		2,047,374	**2,028,830**

6.1 Goodwill

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.

This goodwill arose on acquisition of 100% equity stake, in the share capital of ACWA Power Projects ('APP'). This goodwill is allocated to the Group's operating segments, as follows, for the purpose of impairment testing:

	As of 31 Dec 2023	As of 31 Dec 2022
Thermal and water desalination	762,315	762,315
Renewables	1,153,212	1,162,372
	1,915,527	**1,924,687**

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). However, when a particular asset within an operating segment is disposed-of, the Management allocates a portion of goodwill to the asset (based on the relative fair values) for the purpose of computing gain or loss on disposal.

At the reporting date, management has determined that the recoverable amount of this goodwill is higher than the carrying amount of goodwill. The recoverable amount was determined on the basis of using discounted cash flow approach. These calculations use cash flow projections based on financial models approved by management. Cash flows are estimated over the expected period of the relevant projects' lives, which ranges from 15 to 50 years, and discounted using a pre-tax discount rate of 7.60%. The discount rate used represents the current market assessment of the risks specific to the cash-generating unit, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The 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.

6.2 Other intangible assets

Other intangible assets includes:
- computer software which is amortised at the rate of 25% – 33.33% per year; and
- other intangibles are amortised over the period of contract.

	2023	2022
Cost:		
At 1 January	175,834	118,799
Additions[1]	43,600	57,142
De-recognition on loss of control of a subsidiary (note 34)	–	(107)
At 31 December	**219,434**	**175,834**
Accumulated amortisation:		
At 1 January	71,691	58,656
Amortisation charge for the year (refer to note 27)	15,896	13,035
At 31 December	**87,587**	**71,691**
Carrying amount as of 31 December	**131,847**	**104,143**

[1] Additions during the year 2023 amounting to SR 43.6 million (31 December 2022: SR 57.1 million) includes SR 36.8 million (31 December 2022: SR 50.3 million) on account of cost incurred in relation to work in progress representing new systems implementation and enhancements of existing systems.

7 Equity accounted investees

7.1 Contribution from equity accounted investees

The table below shows the contribution of each equity accounted investees (joint ventures) in the consolidated statement of financial position, income statement, other comprehensive income ('OCI'), and the 'Dividends received from equity accounted investees' line of the statement of cash flows.

	% of effective ownership	Country of domicile	Opening balance	Additions/(disposals)/other adjustments	Share in net income/ (loss)	Dividends received	Share in OCI	Closing balance
31 December 2023								
SGA/NOVA SGA Marafiq Holdings ('SGA Marafiq')	33.33%	Bahrain	588,391	(34,223)[1]	24,231	–	(11,520)	566,879
Saudi Malaysian Water and Electricity Company Limited ('SAMAWEC')	50.00%	Saudi Arabia	1,285,475	–	58,524	(130,333)	(1,029)	1,212,637
Suez Nomac O&M Holdings Company W.L.L.	40.00%	Bahrain	27,281	–	15,198	(17,250)	–	25,229
Jubail Operations Holdings Company W.L.L.	40.00%	Bahrain	27,297	–	15,211	(17,250)	–	25,258
Qurayyah Investment Company ('QIC')	44.98%	Saudi Arabia	582,036	46,875	(4,249)	(8,037)	(10,743)	605,882
Rabigh Electricity Company	40.00%	Saudi Arabia	657,426	–	(50,601)	(23,536)	(13,613)	569,676
Al Mourjan for Electricity Production Company	50.00%	Saudi Arabia	544,166	–	(15,211)	–	(6,926)	522,029
Dhofar Generating Company	27.00%	Oman	97,000	–	4,283	–	(1,680)	99,603
MAP Inland Holdings Ltd. (JAFZA)	47.26%	UAE	588,051	22,447	(34,675)	–	(10,764)	565,059
MAP Coastal Holding Company Limited (JAFZA)	47.26%	UAE	475,051	16,967	(23,844)	–	(9,550)	458,624
ACWA Power Renewable Energy Holding Ltd ('APREH')	51.00%	UAE	480,778	–	(22,301)	(4,578)	(2,171)	451,728
Dhofar O&M Company LLC	35.00%	Oman	3,070	–	849	–	–	3,919
Hassyan Energy Phase 1 P.S.C.	26.95%	UAE	1,631,517	211,829[2]	25,726	–	(22,944)	1,846,128
Dhofar Desalination Co. SAOC	50.10%	Oman	71,556	–	(11,629)	–	(1,409)	58,518
Taweelah RO Desalination Company LLC	40.00%	UAE	201,531	5,072	12,026	–	(31,006)	187,623
Water Consortium Holding Company	40.11%	Saudi Arabia	99,373	254,876[2]	(9,661)	–	(11,572)	333,016
Renewable Energy for Morocco (O&M) Company	49.00%	Morocco	714	–	295	–	–	1,009
ACWA Power Solarreserve Redstone Solar Thermal Power Plant (Pty) Ltd	36.05%	South Africa	284,426	116,112[2]	(961)	–	(25,600)	373,977
Jazan Integrated Gasification and Power Company ('Jazan') (note 7.1.3)	25.00%	Saudi Arabia	2,949,102	1,387,173[2]	368,928	–	(19,767)	4,685,436
Shuqaiq Services Company for Maintenance	68.00%	Saudi Arabia	170,179	–	2,274	(20,696)	(1,348)	150,409
Neom Green Hydrogen Company	33.33%	Saudi Arabia	841,120	62,010[2]	(2,394)	–	58,375	959,111
ACWA Power Uzbekistan Project Holding Company (note 34.2)	51.00%	Uzbekistan	48	(19,772)	2,505	–	26,327	9,108
Amwaj International Company Ltd	49.90%	Saudi Arabia	241,294	–	8,411	–	(48,958)	200,747
Haya Power & Desalination Company	60.00%	Bahrain	210,003	532,080[2]	(22,952)	–	(34,958)	684,173
Noor Energy 1 P.S.C.	24.90%	UAE	128,111	439,805[2]	(124,801)	–	(23,420)	419,695
Naqa'a Desalination Plant LLC	40.00%	UAE	239,986	178,449[2]	24,605	–	(16,007)	427,033
Shams Ad-Dhahira Generating Company SAOC	50.00%	Oman	31,341	240,293[2]	(12,073)	–	(4,414)	255,147
Sudair One Holding Company	35.00%	Saudi Arabia	168,195	–	15,444	–	(18,207)	165,432
Oasis Joint Holding Company	66.72%	Saudi Arabia	–	8,421	(118)	–	19	8,322
Hassyan Water Company A P.S.C.	40.00%	UAE	–	2,042	–	–	–	2,042
Equity accounted investees			**12,624,518**	**3,470,456**	**243,040**	**(221,680)**	**(242,885)**	**15,873,449**

[1] These represents repayment of shareholder loan during the year ended 31 December 2023.
[2] These represents additional investment during the year ended 31 December 2023.

(All amounts in Saudi Riyals thousands unless otherwise stated)

7 Equity accounted investees (Continued)

7.1 Contribution from equity accounted investees (Continued)

	% of effective ownership	Country of domicile	Opening balance	Additions/(disposals)/other adjustments	Share in net income/ (loss)	Dividends received	Share in OCI	Closing balance
31 December 2023								
Dhafra Water Desalination Company	68.00%	Saudi Arabia	(66,800)	–	(46)	–	9,662	(57,184)
Veolia First National Water Service Company	35.00%	Oman	(1,570)	–	1,039	–	–	(531)
Noor Al Shuaibah Holding Company	35.00%	Saudi Arabia	–	(31,792)	(176)	–	(69,302)	(101,270)
Wafra Holding Company	45.00%	Saudi Arabia	–	(14,563)	–	–	(71,981)	(86,544)
Ishaa holding company	50.10%	Saudi Arabia	–	(19,884)	83	–	(99,643)	(119,444)
Nawwar holding company	50.10%	Saudi Arabia	–	(28,448)	368	–	(136,800)	(164,880)
Saad 2 holding company	50.10%	Saudi Arabia	–	(16,020)	263	–	(77,519)	(93,276)
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ('ACWA GUC') (note 7.1.2)	70.00%	Turkey	–	–	–	–	–	–
Obligation for equity accounted investees			**(68,370)**	**(110,707)**	**1,531**	**–**	**(445,583)**	**(623,129)**
Total continued operations			**12,556,148**	**3,359,749**	**244,571**	**(221,680)**	**(688,468)**	**15,250,320**
Shuaa Energy 3 P.S.C. (note 34.3)	24.00%	UAE	62,609	–	(2,900)	–	(7,135)	52,574
Vinh Hao 6 Power Joint Stock (note 34.4)	0.00%	Vietnam	77,354	(73,487)	(3,867)	–	–	–
Total held for sale			**139,963**	**(73,487)**	**(6,767)**	**–**	**(7,135)**	**52,574**

	% of effective ownership	Country of domicile	Opening balance	Additions/(disposals)/other adjustments	Share in net income/ (loss)	Dividends received	Share in OCI	Closing balance
31 December 2022								
SGA/NOVA SGA Marafiq Holdings ('SGA Marafiq')	33.33%	Bahrain	485,581	(48,550)[1]	45,242	–	106,118	588,391
Saudi Malaysian Water and Electricity Company Limited ('SAMAWEC')	50.00%	Saudi Arabia	1,255,759	–	111,224	(105,915)	24,407	1,285,475
Suez Nomac O&M Holdings Company W.L.L.	40.00%	Bahrain	28,294	–	11,812	(12,825)	–	27,281
Jubail Operations Holdings Company W.L.L.	40.00%	Bahrain	28,300	–	11,822	(12,825)	–	27,297
Qurayyah Investment Company ('QIC')	44.98%	Saudi Arabia	521,030	–	(6,725)	(17,092)	84,823	582,036
Rabigh Electricity Company	40.00%	Saudi Arabia	610,463	–	(31,855)	(37,423)	116,241	657,426
Al Mourjan for Electricity Production Company	50.00%	Saudi Arabia	440,658	–	(72,674)	–	176,182	544,166
Dhofar Generating Company	27.00%	Oman	70,974	–	5,119	–	20,907	97,000
MAP Inland Holdings Ltd. (JAFZA)	47.26%	UAE	529,554	–	(25,579)	–	84,076	588,051
MAP Coastal Holding Company Limited (JAFZA)	47.26%	UAE	428,143	–	(38,559)	–	85,467	475,051
ACWA Power Renewable Energy Holding Ltd ('APREH')	51.00%	UAE	428,697	–	(17,475)	(4,781)	74,337	480,778
Dhofar O&M Company LLC	35.00%	Oman	7,062	–	877	(4,869)	–	3,070
Hassyan Energy Phase 1 P.S.C.	26.95%	UAE	397,119	826,062[2]	10,646	–	397,690	1,631,517
Dhofar Desalination Co. SAOC	50.10%	Oman	49,660	–	(812)	–	22,708	71,556
Taweelah RO Desalination Company LLC	40.00%	UAE	132,167	–	(20,581)	–	89,945	201,531
Water consortium Holding Company	40.11%	Saudi Arabia	11,226	–	(13)	–	88,160	99,373
Renewable Energy for Morocco (O&M) Company	49.00%	Morocco	427	–	287	–	–	714
ACWA Power Solarreserve Redstone Solar Thermal Power Plant (Pty) Ltd	36.05%	South Africa	270,683	17,286	(3,169)	–	(374)	284,426
Jazan Integrated Gasification and Power Company ('Jazan') (note 7.1.3)	25.00%	Saudi Arabia	2,814,564	(252,143)[1]	303,830	–	82,851	2,949,102
Shuqaiq Services Company for Maintenance	68.00%	Saudi Arabia	–	159,035	11,144	–	–	170,179
Neom Green Hydrogen Company	33.33%	Saudi Arabia	–	837,562[2]	3,558	–	–	841,120
ACWA Power Uzbekistan Project Holding Company (note 34.2)	51.00%	Uzbekistan	–	48	–	–	–	48
Amwaj International Company Ltd	49.90%	Saudi Arabia	461,297	(470,185)[1]	22	–	250,160	241,294
Haya Power & Desalination Company	60.00%	Bahrain	(34,770)	–	(6,304)	–	251,077	210,003
Noor Energy 1 P.S.C.	24.90%	UAE	(330,802)	(17,515)	(4,877)	–	481,305	128,111
Naqa'a Desalination Plant LLC	40.00%	UAE	(3,357)	–	26,376	–	216,967	239,986
Shams Ad-Dhahira Generating Company SAOC	50.00%	Oman	(49,757)	33,725	(19,880)	–	67,253	31,341
Sudair One Holding Company	35.00%	Saudi Arabia	(3,007)	–	(121)	–	171,323	168,195
Equity accounted investees			**8,549,965**	**1,085,325**	**293,335**	**(195,730)**	**2,891,623**	**12,624,518**

[1] These represents repayment of shareholder loan during the year ended 31 December 2022.
[2] These represents additional investment during the year ended 31 December 2022.

(All amounts in Saudi Riyals thousands unless otherwise stated)

7 Equity accounted investees (Continued)

7.1 Contribution from equity accounted investees (Continued)

	% of effective ownership	Country of domicile	Opening balance	Additions/(disposals)/other adjustments	Share in net income/ (loss)	Dividends received	Share in OCI	Closing balance
31 December 2022								
Dhafra Water Desalination Company	68.00%	Saudi Arabia	–	(34,612)	–	–	(32,188)	(66,800)
Veolia First National Water Service Company	35.00%	Oman	263	–	1,107	(2,940)	–	(1,570)
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ('ACWA GUC') (note 7.1.2)	70.00%	Turkey	–	–	–	–	–	–
Obligation for equity accounted investees			**263**	**(34,612)**	**1,107**	**(2,940)**	**(32,188)**	**(68,370)**
Total continued operations			**8,550,228**	**1,050,713**	**294,442**	**(198,670)**	**2,859,435**	**12,556,148**
Shuaa Energy 3 P.S.C. (note 34.3)	24.00%	UAE	(21,474)	–	1,605	–	82,478	62,609
Shuqaiq International Water and Electricity Company Limited ('SIWEC')	0.00%	Saudi Arabia	386,399	(378,801)	(7,598)	–	–	–
Vinh Hao 6 Power Joint Stock (note 34.4)	60.00%	Vietnam	74,879	(449)	2,924	–	–	77,354
Total held for sale			**439,804**	**(379,250)**	**(3,069)**	**–**	**82,478**	**139,963**

7.1.1 Bifurcation of the Group's share in net results from continued and discontinued operations is as follows:

	Note	2023	2022
Group's share in net results of equity accounted investees – Continued operations		244,571	294,442
Group's share in net results of equity accounted investees – Discontinued operations/held for sale	34.9	(6,767)	(3,069)
Group's share in net results of equity accounted investees – Total		**237,804**	**291,373**

7.1.2 On 16 December 2018, certain shareholders of the Company (hereinafter referred as 'the Acquirer') acquired an effective 30% interest in a wholly-owned subsidiary of the Group, ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S ('ACWA GUC') (refer to note 24.1) at fair value. As part of the transaction, the Acquirer entered in a joint venture agreement based on which the decisions for the relevant activities that most significantly affect the returns of ACWA GUC will be taken jointly by the Group and the Acquirer. Consequently, the Group lost control in ACWA GUC and remaining 70% ownership in ACWA GUC was assessed as nil by the Group and accounted using the equity method of accounting in accordance with the requirements of IFRS 11 – Joint Arrangements, as endorsed in the Kingdom. The Group's carrying amount of investments in ACWA GUC is capped to zero and no further losses are recognised, where Group has no legal or constructive obligations or made payments on behalf of ACWA GUC.

7.1.3 The Group's effective beneficial ownership in Jazan is 21.25%.

Additions during the year includes shareholder loan given to Jazan Integrated Gasification and Power Company (a Joint Venture of the Group 'JIGPC') amounting to SR 1,387.2 million (31 December 2022 repayment of SR 252.1 million). On 22 January 2023, JIGPC completed the acquisition of the second group of assets for the Jazan Integrated Gasification Combined Cycle project (the 'Project').

The Project involves the acquisition of Integrated Gasification Combined Cycle 'IGCC' assets amounting to SR 45.0 billion (equivalent to USD 12.0 billion) from Saudi Arabian Oil Company. The acquisition of the first group of IGCC assets was completed on 27 October 2021. With the transfer of the second group of assets, the Project has now taken over more than 95% of the revenue-generating assets.

(All amounts in Saudi Riyals thousands unless otherwise stated)

7 Equity accounted investees (Continued)

7.2 Financial information regarding equity accounted investees

Information on statement of financial position of the Projects under equity accounted investees:

	Non-current assets	Cash and cash equivalents	Other current assets	Short-term financing and funding facilities	Other current liabilities	Long-term financing and funding facilities	Other non-current liabilities	Total equity	Group's effective holding	Total equity attributable to the Group	Other long-term interest in investees[1]	Other adjustments[2]	Carrying amount
31 December 2023													
Shuaibah Water & Electricity Company ('SWEC') – a project under SAMAWEC	4,830,737	324,294	785,659	(575,992)	(141,099)	(1,845,428)	(7,094)	3,371,077	30.00%	1,011,323			
Shuaibah Expansion Project Company ('SEPCO') – a project under SAMAWEC	768,135	11,440	30,802	(50,836)	(34,966)	(148,652)	(78,409)	497,514	30.00%	149,254			
Total for SAMAWEC										**1,160,577**	**–**	**52,060**	**1,212,637**
Hajr for Electricity Production Company ('HEPCO') – a project under QIC	8,219,157	51,212	311,892	(299,617)	(511,663)	(4,637,360)	(569,730)	2,563,891	22.49%	576,619	46,875	(17,612)	605,882
Jubail Water and Power Company – a project under SGA Marafiq	6,641,785	106,156	440,251	(693,723)	(192,288)	(3,672,136)	(31,984)	2,598,061	20.00%	519,612	114,318	(67,051)	566,879
Rabigh Electricity Company	6,963,796	150,363	320,097	(377,574)	(316,109)	(3,974,826)	(720,583)	2,045,164	40.00%	818,066	–	(243,302)	574,764
Dhofar Generating Company	1,765,255	45,914	126,659	(74,950)	(65,138)	(1,084,150)	(189,855)	523,735	27.00%	141,408	–	(41,805)	99,603
Al Mourjan for Electricity Production Company	4,937,737	9,509	191,084	(149,166)	(254,922)	(3,353,311)	(191,980)	1,188,951	50.00%	594,476	–	(72,447)	522,029
Hassyan Energy Phase 1 P.S.C.	11,877,233	306,404	1,053,740	(317,433)	(1,188,783)	(7,962,861)	(1,305,360)	2,462,940	26.95%	663,762	1,108,430	73,936	1,846,128
Ad-Dhahirah Generating Company S.A.O.C	3,403,753	129,244	205,069	(122,079)	(274,994)	(1,764,651)	(1,547,682)	28,660	44.90%	12,868	606,982	(54,791)	565,059
Shinas Generating Company S.A.O.C.	3,363,369	21,000	312,158	(103,646)	(421,019)	(1,855,290)	(1,299,178)	17,394	44.90%	7,810	521,718	(70,904)	458,624
Haya Power & Desalination Company	4,153,725	4,057	97,903	(103,237)	(157,728)	(2,665,940)	(785,505)	543,275	60.00%	325,965	532,080	(173,872)	684,173
Noor Energy 1 P.S.C.	15,455,347	703,108	327,041	(194,203)	(373,805)	(14,938,234)	(524,829)	454,425	24.99%	113,561	502,057	(195,923)	419,695
Projects under APREH (note 7.2.1)	2,547,701	98,424	211,474	(164,971)	(155,081)	(1,483,528)	(216,498)	837,521	51.00%	427,136	–	24,592	451,728
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ('ACWA GUC') (note 7.1.2)	1,317,172	170,910	99,751	(2,139,285)	(166,560)	(2,565,295)	(81)	(3,283,388)	70.00%	(2,298,372)	–	2,298,372	–
Jazan Integrated Gasification and Power Company ('Jazan')	42,608,422	599,916	2,203,085	–	(1,014,629)	(37,132,806)	(3,939,155)	3,324,833	25.00%	831,208	3,877,703	(23,475)	4,685,436
Dhofar Desalination Co. SAOC	606,107	9,870	20,482	–	(67,698)	(410,108)	(31,807)	126,846	50.10%	63,550	–	(5,032)	58,518
Shams Ad-Dhahira Generating Company SAOC	1,554,474	5,199	22,674	(67,438)	(56,888)	(815,338)	(86,343)	556,340	50.00%	278,170	–	(23,023)	255,147
Taweelah RO Desalination Company LLC	3,117,960	92,625	437,726	(2,907,236)	(96,154)	–	–	644,921	40.00%	257,968	89,485	(159,830)	187,623
Naqa'a Desalination Plant LLC	3,259,123	256,529	191,449	(77,966)	(143,504)	(2,358,099)	(495,094)	632,438	40.00%	252,975	178,449	(4,391)	427,033
Shuaa Energy 3 P.S.C.	2,127,044	14,660	151,175	(65,257)	(130,560)	(1,826,672)	(40,847)	229,543	24.00%	55,090	–	(2,516)	52,574
Marafiq Red Sea for Energy	5,991,794	591,594	508,096	(33,749)	(412,792)	(6,225,019)	(28,891)	391,033	50.10%	195,908	–	4,839	200,747
Neom Green Hydrogen Company	6,976,648	1,508,231	2,214,399	–	(714,961)	(6,703,548)	(60,066)	3,220,703	33.33%	1,073,460	–	(114,349)	959,111
Shuaibah Three Water Desalination Company	1,826,599	27,224	68,614	–	(198,883)	(1,637,347)	(118,990)	(32,783)	68.00%	(22,292)	–	(34,892)	(57,184)
ACWA Power Sirdarya	3,917,289	87,688	84,720	–	(197,684)	(2,948,525)	(535,372)	408,116	51.00%	208,139	12,375	(211,406)	9,108

[1] Other long-term interest in investees represents advances to the investee by the Group against its equity commitments.
[2] Other adjustments includes net assets or liabilities of holding companies, downstream/upstream consolidation adjustments, purchase price allocation and other Group-level consolidation adjustments.

(All amounts in Saudi Riyals thousands unless otherwise stated)

7 Equity accounted investees (Continued)

7.2 Financial information regarding equity accounted investees (Continued)

Information on statement of financial position of the Projects under equity accounted investees (Continued)

	Non-current assets	Cash and cash equivalents	Other current assets	Short-term financing and funding facilities	Other current liabilities	Long-term financing and funding facilities	Other non-current liabilities	Total equity	Group's effective holding	Total equity attributable to the Group	Other long-term interest in investees[1]	Other adjustments[2]	Carrying amount
31 December 2022													
Shuaibah Water & Electricity Company ('SWEC') – a project under SAMAWEC	5,967,891	496,142	237,737	(512,529)	(397,583)	(2,198,091)	(6,378)	3,587,189	30.0%	1,076,157			
Shuaibah Expansion Project Company ('SEPCO') – a project under SAMAWEC	809,201	6,676	30,899	(49,224)	(39,678)	(199,026)	(81,514)	477,334	30.0%	143,200			
Total for SAMAWEC										**1,219,357**	**–**	**66,118**	**1,285,475**
Hajr for Electricity Production Company ('HEPCO') – a project under QIC	8,522,058	43,453	374,495	(275,529)	(510,063)	(4,928,381)	(541,468)	2,684,565	22.49%	603,759	–	(21,723)	582,036
Jubail Water and Power Company – a project under SGA Marafiq	7,398,680	125,770	418,807	(644,753)	(194,023)	(4,365,859)	(36,146)	2,702,476	20.00%	540,495	148,541	(100,645)	588,391
Rabigh Electricity Company	7,156,697	120,560	216,179	(352,548)	(240,350)	(4,356,041)	(571,287)	1,973,210	40.00%	789,284	–	(131,858)	657,426
Dhofar Generating Company	1,838,634	63,977	121,706	(71,781)	(77,595)	(1,179,100)	(181,663)	514,178	27.00%	138,828	–	(41,828)	97,000
Al Mourjan for Electricity Production Company	5,080,595	20,089	161,616	(130,787)	(367,937)	(3,382,477)	(142,337)	1,238,762	50.00%	619,381	–	(75,215)	544,166
Hassyan Energy Phase 1 P.S.C.	11,414,952	534,634	739,577	(271,070)	(591,320)	(8,252,948)	(2,550,427)	1,023,398	26.95%	275,806	1,136,939	218,772	1,631,517
Ad-Dhahirah Generating Company S.A.O.C.	3,518,287	148,071	200,774	(119,715)	(241,309)	(1,885,479)	(1,555,178)	65,451	44.90%	29,387	573,953	(15,289)	588,051
Shinas Generating Company S.A.O.C.	3,518,137	16,362	367,387	(112,325)	(489,496)	(1,957,660)	(1,351,914)	(9,509)	44.90%	(4,270)	506,652	(27,331)	475,051
Haya Power & Desalination Company	4,337,465	17,814	134,026	–	(195,088)	(3,749,497)	(117,224)	427,496	60.00%	256,498	–	(46,495)	210,003
Noor Energy 1 P.S.C.	14,566,149	550,069	383,693	(146,311)	(475,006)	(14,045,082)	(281,072)	552,440	24.99%	138,055	62,252	(72,196)	128,111
Projects under APREH (note 7.2.1)	2,715,382	124,115	196,472	(168,602)	(191,968)	(1,595,730)	(187,505)	892,164	51.00%	455,004	–	25,774	480,778
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ('ACWA GUC') (note 7.1.2)	960,995	347,562	323,482	(1,050,123)	(385,243)	(1,767,525)	(56)	(1,570,908)	70.00%	(1,099,636)	–	1,099,636	–
Jazan Integrated Gasification and Power Company ('Jazan')	26,972,298	657,675	1,196,415	–	(980,048)	(15,980,510)	(9,968,352)	1,897,478	25.00%	474,370	2,490,531	(15,799)	2,949,102
Dhofar Desalination Co. SAOC	491,427	6,182	22,230	–	(50,526)	(424,406)	(25,775)	19,132	50.10%	9,585	64,272	(2,301)	71,556
Shams Ad-Dhahira Generating Company SAOC	1,549,799	49,221	33,912	(60,756)	(119,119)	(1,304,580)	(115,839)	32,638	50.00%	16,319	–	15,022	31,341
Vinh Hao 6 Power Joint Stock	182,272	17,149	34,030	(12,981)	(554)	(104,827)	–	115,089	60.00%	69,053	11,288	(80,341)	–
Taweelah RO Desalination Company LLC	3,167,850	90,596	343,706	(67,744)	(101,606)	(2,792,884)	(9,465)	630,453	40.00%	252,181	86,442	(137,092)	201,531
Naqa'a Desalination Plant LLC	3,414,277	207,265	181,896	(75,172)	(189,868)	(2,877,895)	(49,498)	611,005	40.00%	244,402	–	(4,416)	239,986
Shuaa Energy 3 P.S.C.	1,969,956	91,337	71,359	–	(101,295)	(1,720,879)	(37,850)	272,628	24.00%	65,431	–	(2,822)	62,609
Marafiq Red Sea for Energy	5,064,220	783,614	179,288	–	(425,943)	(5,100,477)	(692)	500,010	50.10%	250,505	–	(9,211)	241,294
Neom Green Hydrogen Company	1,614,915	839,929	88,561	–	(17,247)	–	(2,515,283)	10,875	33.33%	3,625	837,495	–	841,120

[1] Other long-term interest in investees represents advances to the investee by the Group against its equity commitments.

[2] Other adjustments includes net assets or liabilities of holding companies, downstream/upstream consolidation adjustments, purchase price allocation and other Group-level consolidation adjustments.

7 Equity accounted investees (Continued)

7.2 Financial information regarding equity accounted investees (Continued)

Information on statement of profit or loss and other comprehensive income of equity accounted projects:

	Revenues (note 7.2.2)	Operating profit before depreciation	Depreciation	Finance Charges	Finance Income	Net profit or loss[1]	Other comprehensive income[1]	Total comprehensive income[1]
For year ended 31 December 2023								
Jubail Water and Power Company – a project under SGA Marafiq	1,034,304	491,988	(32,204)	(210,206)	7,168	237,215	(57,513)	179,702
Shuaibah Water & Electricity Company ('SWEC') – a project under SAMAWEC	580,594	420,992	(1,010)	(147,626)	20,750	268,860	(9,585)	259,275
Shuaibah Expansion Project Company ('SEPCO') – a project under SAMAWEC	154,420	87,073	(28,628)	(19,875)	325	36,044	2,945	38,989
Hajr for Electricity Production Company ('HEPCO') – a project under QIC	982,209	528,452	(272,842)	(253,729)	3,053	(24,532)	(54,143)	(78,675)
Rabigh Electricity Company	875,779	692,996	(221,274)	(313,451)	7,237	148,426	(32,223)	116,203
Al Mourjan for Electricity Production Company	586,818	355,252	(161,904)	(228,234)	1,658	(34,900)	(14,281)	(49,181)
Dhofar Generating Company	512,784	128,143	(39,387)	(67,214)	1,725	15,909	(6,223)	9,686
Hassyan Energy Phase 1 P.S.C.	1,181,389	480,367	(16)	(568,397)	172,589	95,459	(85,135)	10,324
Ad-Dhahirah Generating Company S.A.O.C	939,704	161,054	(87,222)	(150,881)	–	(109,103)	72,926	(36,177)
Shinas Generating Company S.A.O.C.	1,039,619	192,864	(93,787)	(147,235)	–	(77,261)	104,114	26,853
Haya Power & Desalination Company	1,156,696	263,316	(115,047)	(196,012)	100	(47,644)	(58,264)	(105,908)
Noor Energy 1 P.S.C.	278,554	160,781	(231,850)	(559,326)	130,990	(499,405)	(93,718)	(593,123)
Dhofar Desalination Co. SAOC	82,299	27,675	(14,936)	(26,003)	–	(18,618)	(2,812)	(21,430)
Vinh Hao 6 Power Joint Stock	6,104	4,781	(12)	(3,011)	131	1,889	–	1,889
Taweelah RO Desalination Company LLC	179,304	122,164	(536)	(91,564)	–	30,064	(77,516)	(47,452)
Naqa'a Desalination Plant LLC	552,832	153,781	(1,164)	(98,901)	7,734	61,449	(40,017)	21,432
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ('ACWA GUC') (note 7.1.2)	1,526,898	(115,452)	32,692	(1,652,138)	45,511	(1,391,852)	–	(1,391,852)
Projects/Entities under APREH (note 7.2.1)	509,188	348,839	(121,508)	(236,545)	30,463	(6,322)	(18,366)	(24,688)
Shams Ad-Dhahira Generating Company SAOC	132,575	95,688	(52,389)	(49,147)	74	(18,646)	(8,828)	(27,474)
Dhofar O&M Company LLC	315,245	2,439	–	(11)	–	2,426	–	2,426
Shuaa Energy 3 P.S.C.	133,198	110,163	(67,554)	(116,377)	61,683	(12,085)	(29,729)	(41,814)
Jazan Integrated Gasification and Power Company	6,413,184	4,047,749	(13,189)	(2,042,011)	47,473	1,736,133	(93,025)	1,643,108
Other projects	509,024	186,089	(3,657)	(52,398)	6,817	177,793	(383,106)	(205,313)
Total		**8,947,194**				**571,299**	**(884,499)**	**(313,200)**
Total (ACWA Power share)		**2,601,592**				**237,804**	**(695,603)**	**(457,799)**

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

(All amounts in Saudi Riyals thousands unless otherwise stated)

7 Equity accounted investees (Continued)

7.2 Financial information regarding equity accounted investees (Continued)

Information on statement of profit or loss and other comprehensive income of equity accounted projects (Continued)

	Revenues (note 7.2.2)	Operating profit before depreciation	Depreciation	Finance Charges	Finance Income	Net profit or loss[1]	Other comprehensive income[1]	Total comprehensive income[1]
For year ended 31 December 2022								
Jubail Water and Power Company – a project under SGA Marafiq	1,110,085	597,739	(27,166)	(218,139)	1,734	312,202	530,645	842,847
Shuqaiq Water and Electricity Company – a project under SIWEC	132,614	98,744	(29,409)	(31,060)	10	37,519	–	37,519
Shuaibah Water & Electricity Company ('SWEC') – a project under SAMAWEC	829,100	698,163	(144,525)	(179,354)	65,522	410,051	64,811	474,862
Shuaibah Expansion Project Company ('SEPCO') – a project under SAMAWEC	154,858	84,503	(28,512)	(22,137)	44	29,263	27,847	57,110
Hajr for Electricity Production Company ('HEPCO') – a project under QIC	918,646	343,270	(270,936)	(242,891)	491	(30,460)	377,080	346,620
Rabigh Electricity Company	932,584	754,560	(217,975)	(323,506)	969	190,524	290,602	481,126
Dhofar Generating Company	461,083	130,913	(39,522)	(68,002)	1,907	19,004	77,432	96,436
Al Mourjan for Electricity Production Company	399,911	197,674	(161,461)	(222,173)	507	(149,825)	351,738	201,913
Hassyan Energy Phase 1 P.S.C.	650,444	186,325	(15)	(200,986)	–	39,502	1,475,658	1,515,160
Ad-Dhahirah Generating Company S.A.O.C.	937,214	198,088	(87,450)	(144,167)	–	(69,923)	187,253	117,330
Shinas Generating Company S.A.O.C.	995,623	155,087	(93,601)	(148,514)	–	(110,638)	190,349	79,711
Haya Power & Desalination Company	831,697	188,946	(72,179)	(127,682)	408	(10,507)	418,461	407,954
Noor Energy 1 P.S.C.	47,002	40,280	(25,280)	(34,515)	–	(19,515)	1,925,992	1,906,477
Projects/Entities under APREH (note 7.2.1)	525,073	391,733	(124,869)	(259,205)	1,603	(11,501)	272,004	260,503
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ('ACWA GUC') (note 7.1.2)	2,409,420	93,572	47,448	(1,515,579)	44,145	(1,153,061)	–	(1,153,061)
Jazan Integrated Gasification and Power Company	4,320,622	2,623,761	(11,993)	(940,956)	8,392	1,429,786	389,889	1,819,675
Dhofar Desalination Co. SAOC	86,227	37,824	(14,900)	(26,064)	–	2,972	45,325	48,297
Shams Ad-Dhahira Generating Company SAOC	128,424	96,114	(52,389)	(49,480)	106	(29,854)	134,507	104,653
Vinh Hao 6 Power Joint Stock	24,749	20,953	(69)	(11,342)	331	9,873	–	9,873
Taweelah RO Desalination Company LLC	52,550	28,725	(536)	(79,641)	–	(51,452)	224,862	173,410
Dhofar O&M Company LLC	293,851	2,886	–	(474)	–	2,506	–	2,506
Shuaa Energy 3 P.S.C.	69,553	61,136	(36,893)	(17,558)	–	6,685	343,658	350,343
Naqa'a Desalination Plant LLC	320,292	99,119	(425)	(32,916)	162	65,941	542,417	608,358
Other projects	130,754	40,977	(578)	(7,696)	11,633	106,712	1,160,815	1,267,527
Total		**7,171,092**				**1,025,804**	**9,031,345**	**10,057,149**
Total (ACWA Power share)		**2,069,405**				**291,373**	**2,941,913**	**3,233,286**

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

7.2.2 Revenues figures are net of principal lease amortisation, wherever applicable. Impact of the Group's share in principal lease amortisation for these projects amounts to SR 234.8 million (31 December 2022: SR 156.6 million).

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

8 Net investment in finance lease

In relation to certain Power Purchase Agreements ('PPA') or Water Purchase Agreements ('WPA') between the few of the Group's subsidiaries and their Offtaker, the Group management has concluded that the PPA or WPA are within the scope of IFRS 16, 'Leases'. Further, management has assessed the lease classification and where the arrangements are concluded as finance leases, a finance lease receivable has been recognised in the consolidated financial statements. Property, plant and equipment in relation to operating lease arrangements of the Group entities are disclosed in note 5.

For certain finance lease arrangements, the lease cash flows are denominated in multiple currencies. Accordingly, the minimum lease payments are determined separately for each currency involved using the interest rate implicit in the lease for each respective currency. The total finance lease income in each respective currency is allocated to the accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in each currency respectively with respect to the lease.

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

	As of 31 Dec 2023	As of 31 Dec 2022
a) Net investment in finance leases consist of:		
• Gross investment in finance leases (see (b) below)	17,502,955	18,208,345
• Less: Unearned finance income (see (c) below)	(5,886,279)	(6,328,017)
	11,616,676	**11,880,328**
Analysed as:		
• Current portion of net investment in finance lease	382,185	378,486
Non-current portion of net investment in finance lease	11,234,491	11,501,842
b) The undiscounted value of future minimum lease payments to be received consist of:		
• Less than one year	891,110	895,305
• One to two years	916,143	887,255
• Two to three years	910,269	884,101
• Three to four years	907,832	878,396
• Four to five years	908,815	876,032
• More than five years	12,968,786	13,787,256
	17,502,955	**18,208,345**
c) The maturity of unearned finance income are as follows:		
• Less than one year	508,925	516,819
• One to two years	492,008	501,391
• Two to three years	474,248	484,362
• Three to four years	455,817	466,928
• Four to five years	436,802	448,823
• More than five years	3,518,479	3,909,694
	5,886,279	**6,328,017**

8.1 The periodic rate of return used by the Group ranges from 2.04% to 10.21% (2022: 2.04% to 10.21%) per year. During the year the Group recognised a finance lease income of SR 459.5 million (2022: SR 243.4 million) (note 25).

The finance lease income is presented net of energy generation shortfall amounting to SR 55.1 million for the year ended 31 December 2023 (31 December 2022: shortfall amounting to SR 206.8 million). Energy generation shortfalls represent lower production as compared to original estimated production levels due to non-operational periods of certain plants accounted for as finance leases.

Finance lease principal amortisation for the year ended 31 December 2023 is SR 385.3 million (31 December 2022: SR 347.1 million).

9 Other assets

	Note	As of 31 Dec 2023	As of 31 Dec 2022
Advance fee to customer		187,381	203,866
Value Added Tax ('VAT') receivable		78,999	81,473
Right of use assets	9.1	77,733	67,401
Strategic fuel inventories	9.2	25,518	27,356
Others		10,181	17,679
		379,812	**397,775**

9.1 Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets that is 2 – 40 years.

9.2 A subsidiary of the Group is required to maintain sufficient quantities of fuel (termed as 'Strategic fuel inventories') in the power generating stations, for the periods stated in a Power Purchase Agreement, to enable the stations to operate continuously. As of 31 December 2023, strategic fuel inventories amounting to SR 25.5 million (31 December 2022: SR 27.4 million) were maintained at the station and classified as non-current other assets in the consolidated statement of financial position.

10 Inventories

	As of 31 Dec 2023	As of 31 Dec 2022
Spare parts and consumables	453,997	376,840
Chemicals	18,556	18,896
Diesel	5,972	10,540
Goods in transit	797	544
	479,322	**406,820**

10.1 A portion of the inventory purchased amounting to SR 7.6 million (2022: SR 8.1 million) was provided for/ written-down to its net realizable value. Also refer to note 27.1.

11 Accounts receivable, prepayments and other receivables

	Note	As of 31 Dec 2023	As of 31 Dec 2022
Trade accounts receivable[1]		1,692,851	1,362,282
Less: Allowance for impaired receivables	11.1	(144,513)	(86,204)
Net trade accounts receivable		**1,548,338**	**1,276,078**
Advances to suppliers		437,278	441,727
Prepayments and other receivables		381,722	579,293
Reinsurance assets and premiums receivable	11.2, 40.2.2	325,206	110,597
Project development cost	11.3	324,891	248,671
Value added tax and other receivables from authorities	11.4	143,732	86,057
Advances to employees		30,598	27,430
Dividend receivable		10,348	–
Others		12,467	1,855
		3,214,580	**2,771,708**

11.1 Allowance for impaired receivables is calculated using the expected credit loss approach specified in IFRS 9. To measure the expected credit losses, trade receivables are evaluated based on customer credit rating and expected probability of defaults. Movement in allowance for impaired receivables is disclosed in note 37.1 (c).

11.2 The balance represents reinsurance assets and premiums receivable of a fully owned subsidiary (ACWA Power Reinsurance) of the Group. Related insurance liabilities are included in accrued expenses and other liabilities (note 19.1).

11.3 Project development cost represents costs incurred on projects under development which are considered feasible as of the reporting date. A provision is made against the project development costs based on an average project success rate and management's best estimates. During 2023, SR 69.6 million (2022: SR 35.4 million) were recorded in profit or loss from continued operations on account of provisions and write-offs.

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

12 Cash and cash equivalents

	As of 31 Dec 2023	As of 31 Dec 2022
Cash at bank and cash in hand	1,300,863	4,432,679
Short-term deposits with original maturities of less than three months	3,440,078	1,721,845
Cash and cash equivalents	**4,740,941**	**6,154,524**

These short-term deposits primarily carry rate of return between 4.80% to 6.27% (2022: 4.00% to 4.40%) per year.

[1] Trade receivable balances due from related parties are disclosed in note 23.

13 Short-term investments

	As of 31 Dec 2023	As of 31 Dec 2022
Short-term deposits with original maturities of more than three months	**1,217,791**	**199,998**

These short-term deposits carry rate of return between 5.40% to 6.27% (2022: 4.00% to 4.40%) per year.

14 Share capital and reserves

14.1 Share capital

The Company's authorised and fully paid-up share capital consists of 731,099,729 shares (31 December 2022: 731,099,729 shares) of SR 10 each.

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

	As of 31 Dec 2023	As of 31 Dec 2022
Authorised and fully paid-up shares of SR 10 each	7,310,998	7,310,998
Transaction cost	(176,855)	(176,855)
Share capital	**7,134,143**	**7,134,143**

14.2 Capital management

The Board of Directors' policy is to maintain an efficient capital base to retain investors, creditors, market confidence and to sustain the future development of its business. The Board of Directors monitor the return on capital employed which is determined by the Group as a result of operating activities divided by total Shareholders' equity, excluding non-controlling interests. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and benefit its various stakeholders.

There were no changes in the Group's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

14.3 Dividends

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 are subject to approval of the shareholders at the ordinary General Assembly meeting.

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.

14 Share capital and reserves (Continued)
14.3 Dividends (Continued)

For the year 2021, the Board of Directors approved a dividend payment of SR 562.9 million (SR 0.77 per share). The proposed dividends were approved by the shareholders at the ordinary General Assembly meeting held on 30 June 2022. The dividend was paid on 21 July 2022.

Furthermore during 2023, certain subsidiaries of the Group distributed dividends of SR 99.2 million (31 December 2022: SR 62.5 million) to the non-controlling interest shareholders.

14.4 Bonus shares

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 capitalisation of SR 14.6 million from the retained earnings by granting 1 share for every 500 shares owned.

The bonus share issuance is subject to approval of the shareholders at the General Assembly meeting.

Given the growth focus, the Company would like to optimise the cash distribution by retaining earnings to support the visible pipeline of new projects.

14.5 Other reserves

Movement in other reserve is given below:

	Cash flow hedge reserve	Currency translation reserve	Share in OCI of equity accounted investees (note 7.1)	Remeasurement of defined benefit liability	Other (note 24.5)	Total
Balance as of 1 January 2022	**(343,967)**	**(6,449)**	**(1,165,555)**	**(29,128)**	**(27,180)**	**(1,572,279)**
Change in fair value of cash flow hedge reserve net of settlements	1,692,005	–	2,940,455	–	–	4,632,460
Cash flow hedge reserve recycled to profit or loss upon termination of hedge relationships	(56,546)	–	(555)	–	–	(57,101)
Cash flow hedge reserve recycled to profit or loss on loss of control of a subsidiary (note 34)	(510,382)	–	–	–	–	(510,382)
Recycled to profit or loss on sale of an equity accounted investee (note 34)	–	–	128,638	–	–	128,638
Other changes	–	1,017	2,013	5,053	–	8,083
Balance as of 31 December 2022	**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 termination 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**

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 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
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 from consolidation are recognised as currency translation reserve in equity. On disposal of a foreign operation, the component of currency translation reserve relating to that particular foreign operation is recognised in the consolidated statement of profit or loss.

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

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

15 Non-controlling interest ('NCI')

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

Information on statement of financial position

	Central Electricity Generating Company ('CEGCO')	Barka Water and Power Company SAOG ('Barka')	ACWA Power Ouarzazate S.A. ('APO I')	ACWA Power Ouarzazate II S.A. ('APO II')	ACWA Power Ouarzazate III S.A. ('APO III')	Al Zarqa Plant for Energy Generation ('ZARQA')	Rabigh Three Company ('Rabigh 3')	Sakaka Solar Energy Company ('Sakaka')	Rabigh operation and maintenance Company ('ROMCO')	ACWA Power Solar CSP Holding Limited ('Solar CSP')	ACWA Power Redstone Holdings ('Redstone')	ACWA Power Harbin Holdings Limited ('Harbin')	Others[1] including adjustments ('Others')	Total
Place of business	**Jordan**	**Oman**	**Morocco**	**Morocco**	**Morocco**	**Jordan**	**KSA**	**KSA**	**KSA**	**UAE**	**South Africa**	**UAE**		
As of 31 December 2023														
NCI %	59.072%	58.10%	26.875%	25.00%	25.00%	40.00%	30.00%	30.00%	40.00%	49.00%	28.00%	45.00%		
Non-current assets	261,694	556,662	2,132,573	3,002,893	2,566,800	1,959,277	2,604,902	1,017,951	540	442,324	255,081	1,405,451		
Current assets	32,175	80,884	240,355	322,980	176,255	154,933	216,476	92,585	112,543	13,814	–	37,470		
Non-current liabilities	(63,174)	(224,243)	(1,516,023)	(2,552,006)	(2,321,744)	(1,347,570)	(2,390,460)	(765,860)	(3,839)	–	–	–		
Current liabilities	(70,946)	(121,498)	(251,628)	(746,094)	(641,120)	(179,754)	(180,431)	(251,635)	(74,446)	(13,472)	(36)	(35,234)		
Net assets/ (liabilities)	159,749	291,805	605,277	27,773	(219,809)	586,886	250,487	93,041	34,798	442,666	255,045	1,407,687		
Net assets/ (liabilities) attributable to NCI	**94,367**	**169,539**	**162,668**	**6,943**	**(54,952)**	**234,754**	**75,146**	**27,912**	**13,919**	**216,906**	**71,413**	**633,459**	**(101,141)**	**1,550,933**
As of 31 December 2022														
NCI %	59.072%	58.10%	26.875%	25.00%	25.00%	40.00%	30.00%	30.00%	40.00%	49.00%	28.00%	45.00%		
Non-current assets	307,268	581,344	2,765,587	2,990,972	2,515,026	2,040,054	2,672,734	1,040,982	555	2,520	184,686	1,142,606		
Current assets	547,967	150,798	191,858	260,037	174,406	163,155	197,880	101,045	74,068	12,663	13,285	231,715		
Non-current liabilities	(92,519)	(241,982)	(2,047,494)	(2,464,313)	(2,300,083)	(1,451,831)	(2,476,504)	(985,717)	(3,132)	–	–	–		
Current liabilities	(373,651)	(211,734)	(257,416)	(684,858)	(637,917)	(188,801)	(140,354)	(52,753)	(35,672)	(15,182)	(13,287)	(42,890)		
Net assets/ (liabilities)	389,065	278,426	652,535	101,838	(248,568)	562,577	253,756	103,557	35,819	1	184,684	1,331,431		
Net assets/ (liabilities) attributable to NCI	**229,828**	**161,766**	**175,369**	**25,460**	**(62,142)**	**225,031**	**76,127**	**31,067**	**14,328**	**–**	**51,712**	**599,144**	**(159,183)**	**1,368,507**

[1] Others mainly represents the non-controlling interest related to Rabigh Arabian Water and Electricity Company ('RAWEC'), ACWA Power Ouarzazate IV S.A ('APO IV'), ACWA Power Laayoune ('APL'), and ACWA Power Boujdour ('APB').

(All amounts in Saudi Riyals thousands unless otherwise stated)

15 Non-controlling interest ('NCI') (Continued)

Information on statement of profit of loss and other comprehensive income

	CEGCO	Barka	APO I	APOII	APOIII	Zarqa	Rabigh 3	Sakaka	ROMCO	Solar CSP	Redstone	Harbin	Others[1]	Total
31 December 2023														
NCI %	59.072%	58.10%	26.875%	25.00%	25.00%	40.00%	30.00%	30.00%	40.00%	49.00%	28.00%	45.00%		
Revenue	219,454	130,745	220,680	161,849	147,990	256,291	297,340	49,519	89,864	–	–	47,215		
Profit/(loss)	65,480	13,369	121,397	(52,144)	27,512	55,537	7,070	(2,086)	20,999	1,531	(19)	7,795		
OCI	–	–	–	–	–	(6,004)	(8,308)	(7,325)	–	–	–	–		
Total comprehensive income/(loss)	65,480	13,369	121,397	(52,144)	27,512	49,533	(1,238)	(9,411)	20,999	1,531	(19)	7,795		
Profit/(loss) – NCI share	**38,680**	**7,767**	**32,625**	**(13,036)**	**6,878**	**22,215**	**2,121**	**(626)**	**8,400**	**750**	**(5)**	**3,508**	**338**	**109,615**
OCI – NCI share	**–**	**–**	**–**	**–**	**–**	**(2,402)**	**(2,492)**	**(2,198)**	**–**	**–**	**–**	**–**	**(3,127)**	**(10,219)**
31 December 2022														
NCI %	59.072%	58.10%	26.875%	25.00%	25.00%	40.00%	30.00%	30.00%	40.00%	49.00%	28.00%	45.00%		
Revenue	332,426	144,955	171,638	97,399	(65,562)	252,244	274,011	52,298	93,676	–	–	–		
Profit/(loss)	131,605	(130,243)	(121,795)	(111,295)	(99,897)	30,052	5,076	(660)	27,776	(1,072)	–	(8,577)		
OCI	2,853	–	–	–	–	132,167	423,691	153,736	–	–	–	–		
Total comprehensive income / (loss)	134,458	(130,243)	(121,795)	(111,295)	(99,897)	162,219	428,767	153,076	27,776	(1,072)	–	(8,577)		
Profit/(loss) – NCI share	**77,742**	**(75,671)**	**(32,732)**	**(27,824)**	**(24,974)**	**12,021**	**1,523**	**(198)**	**11,110**	**(525)**	**–**	**(3,860)**	**(237)**	**(63,625)**
OCI – NCI share	**1,685**	**–**	**–**	**–**	**–**	**52,867**	**127,107**	**46,121**	**–**	**–**	**–**	**–**	**15,185**	**242,965**

15.1 During 2023, minority shareholders of Solar CSP, Harbin and Redstone have provided additional capital contribution amounting to SR 215.5 million (2022: Nil), SR 21.2 million (2022: SR 378.1 million) and SR 38.0 million (2022: SR 0.7 million) respectively. In addition, SR 85.0 million (2022: Nil), SR 7.6 million (2022: SR 19.5 million) and Nil (2022: SR 7.6 million) capital was repaid by CEGCO, Zarqa and RAWEC respectively to the minority shareholders. The additional capital contribution and repayment is recorded directly within the equity.

15.2 On 28 July 2022, ACWA Power Green Energy Africa Proprietary Limited (a 100%-owned subsidiary of ACWA Power) (the 'Seller') entered in a sale purchase agreement with a third-party buyer ('the Buyer') in relation to the Seller's 25.92% shareholding (partial shareholding) in Redstone (a 98%-owned subsidiary of the Seller) for an agreed consideration of ZAR 276.8 million equivalent to SR 61.0 million. Legal formalities in relation to the share transfer were completed in December 2022. The seller will continue to control the decisions for the relevant activities that most significantly affect the returns of Redstone. Accordingly, loss in relation to this transaction amounting to SR 3.2 million is directly recorded in retained earnings within consolidated statement of changes in equity. Carrying value of net assets transferred to non-controlling interest upon share transfer amounts to SR 64.15 million.

[1] Others mainly represents the non-controlling interest related to Rabigh Arabian Water and Electricity Company ('RAWEC'), ACWA Power Ouarzazate IV S.A ('APO IV'), ACWA Power Laayoune ('APL'), and ACWA Power Boujdour ('APB').

16 Long-term financing and funding facilities

	Note	As of 31 Dec 2023	As of 31 Dec 2022
Recourse debt:			
Financing facilities in relation to projects		3,348,583	2,941,340
Corporate facilities		1,504	1,130
Corporate bond	16.1	4,586,313	2,790,991
Non-Recourse debt:			
Financing facilities in relation to projects		15,125,832	15,513,361
Corporate bond ('APMI One bond')	16.2	1,518,506	1,527,250
Loan notes ('APCM bond')	16.3	582,272	598,510
Total financing and funding facilities[2]		**25,163,010**	**23,372,582**
Less: Current portion of long-term financing and funding facilities		(1,613,301)	(1,039,904)
Long-term financing and funding facilities presented as non-current liabilities		**23,549,709**	**22,332,678**

Financing and funding facilities as reported on the Group's 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 or those guaranteed by the Company. The Group's financial liabilities are either fixed special profit bearing or at a margin above the relevant reference rates. The Group seeks to hedge long-term floating exposures using derivatives (note 22).

[2] Total financing and funding facilities includes SR 9,362.8 million on account of Islamic facilities (31 December 2022: SR 8,177.5 million).

(All amounts in Saudi Riyals thousands unless otherwise stated)

16 Long-term financing and funding facilities (Continued)

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

	Note	Interest rate	Maturity	Non-current portion		Current portion	
		Fixed/ variable		As of 31 Dec 2023	As of 31 Dec 2022	As of 31 Dec 2023	As of 31 Dec 2022
Recourse Debt							
Financing facilities in relation to projects:	16.4						
ACWA Power Ouarzazate III S.A. ('APO III')		Fixed	2025 – 39	82,881	79,499	–	–
ACWA Power Kom Ombo Project Holding Company ('Kom Ombo')		Variable	2027	215,679	82,453	–	–
ACWA Power Conventional Energy Limited ('APCE')		Variable	2028	725,685	724,574	–	–
ACWA Power for Energy		Variable	2026 – 28	793,906	489,510	–	–
ACWA Power Dzhankeldy Wind LLC	34.6	Variable	2026 – 42	–	620,755	–	–
ACWA Power Bash Wind LLC	34.6	Variable	2026 – 42	–	650,724	–	–
ACWA Power Green Energy Africa Pty Ltd		Variable	2024 – 25	210,738	293,825	218,388	–
ACWA Power Global Services		Variable	2031	669,758	–	–	–
ACWA Power Wind Karatau FE LLC		Variable	2026	81,898	–	–	–
ACWA Power Azerbaijan Renewable Energy LLC		Fixed	2026	349,650	–	–	–
Total financing facilities in relation to projects				**3,130,195**	**2,941,340**	**218,388**	

	Note	Interest rate	Maturity	Non-current portion		Current portion	
		Fixed/ variable		As of 31 Dec 2023	As of 31 Dec 2022	As of 31 Dec 2023	As of 31 Dec 2022
Corporate facilities:							
Revolving Corporate Murabaha Facility		Variable	2025	1,504	1,130	–	–
Corporate bond	16.1	Variable	2028 – 30	4,586,313	2,790,991	–	–
Total Recourse Debt				**7,718,012**	**5,733,461**	**218,388**	**–**
Non-Recourse Debt:							
Financing facilities in relation to projects:	16.4						
Barka Water and Power Projects SAOG ('Barka')		Fixed	2024	–	142,895	149,341	45,665
Central Electricity Generating Company ('CEGCO')		Fixed	2024 – 26	21,181	43,844	20,404	21,817
ACWA Power Ouarzazate S.A. ('APO I')		Fixed	2038	1,462,543	1,515,998	95,284	88,587
ACWA Power Ouarzazate II S.A. ('APO II')		Fixed	2039	2,153,375	2,208,464	113,309	103,530
ACWA Power Ouarzazate III S.A. ('APO III')		Fixed	2025 – 39	1,665,671	1,728,129	131,894	115,188
ACWA Power Ouarzazate IV S.A. ('APO IV')		Fixed	2035	149,151	167,689	14,310	12,925
Shuaibah Two Water Development Project ('Shuaibah II')		Variable	2040	301,235	326,621	12,551	12,903
ACWA Power Laayoune		Fixed	2035	199,010	173,140	30,736	45,040
ACWA Power Boujdour		Fixed	2035	64,639	62,873	4,150	10,693
Al Zarqa Plant for Energy Generation ('ZARQA')		Variable	2035	960,084	1,027,446	67,363	66,529
Sakaka Solar Energy Company ('Sakaka')		Variable	2044	716,191	728,980	12,747	25,966
Rabigh Three Company ('Rabigh 3')		Variable	2045	1,762,955	1,823,979	60,943	53,144
Rabigh Arabian Water and Electricity Company ('RAWEC')		Both	2030 – 34	3,985,018	4,368,815	393,380	410,675
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				**13,823,273**	**14,500,699**	**1,302,559**	**1,012,662**
APMI One bond	16.2	Fixed	2039	1,443,172	1,516,247	75,334	11,003
APCM bond	16.3	Fixed	2044	565,252	582,271	17,020	16,239
Total – Non-Recourse Debt				**15,831,697**	**16,599,217**	**1,394,913**	**1,039,904**
Total financing and funding facilities				**23,549,709**	**22,332,678**	**1,613,301**	**1,039,904**

16 Long-term financing and funding facilities (Continued)

The Group has hedged its variable interest rate exposure through interest rate swaps. Refer note 37.3 for interest rate sensitivity on variable rate financial liabilities.

16.1 On 14 June 2021, the Group issued an Islamic bond (Sukuk) amounting to SR 2,800.0 million at par (sak) value of SR 1 million each, without discount or premium. Further, on 2 February 2023, the Group completed the issuance of SR 1,800 million Sukuk under its SR 5,000 million Sukuk issuance programme. The Sukuk issuance bears a return based on Saudi Arabia Interbank Offered Rate ('SIBOR') plus a pre-determined margin payable quarterly in arrears. The Sukuk will be redeemed at par on its maturity i.e., seven years from the date of the issuance with a call option (only on the second tranche) effective on or after five years from the issuance date.

16.2 In May 2017, the Group (through one of its subsidiaries, APMI One) issued bonds with an aggregate principal of USD 814.0 million. The bonds carry a fixed rate of interest at 5.95% per year due for settlement on a semi-annual basis. The bonds' principal is due to be repaid in semi-annual instalments commencing from June 2021, with the final instalment due in December 2039. The bonds are collateralised by cash flows from certain equity accounted investees and subsidiaries of the Group. During the year ended 31 December 2022, ACWA Power has partially bought back bonds amounting to USD 400.7 million (equivalent to SR 1,502.7 million) at a discount. The Group has recognised a gain of SR 74.8 million in the year ended 31 December 2022 on the buyback which is net of the proportionate share in the unamortised transaction cost in relation to the bond's issuance. The gain is presented within the other income (refer note 29.1).

16.3 APCM bond ('the Notes') were issued during 2021 with an aggregate principal of USD 166.2 million. The Notes carry an interest at 3.7% per year and the principal repayments in semi-annual instalments from 31 May 2021, with final instalment due on 27 May 2044. The Notes were issued to refinance an existing long-term facility of one of the Group's wholly-owned subsidiary, Shuaibah Two Water Development Project ('Shuaibah II').

16.4 Borrowings by project companies are primarily secured against underlying assets (i.e., plant, machinery and equipment – note 5) of the respective project companies, except borrowings that are with recourse to the Group amounting to SR 3,348.6 million as of 31 December 2023 (31 December 2022: SR 2,941.3 million).

17 Employee end of service benefits' liabilities

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

	31 Dec 2023	31 Dec 2022
Balance at beginning of the year	190,788	196,025
Charge for the year recorded in profit or loss	51,712	35,629
Loss/(gain) on remeasurement of defined benefit liability (OCI)	7,118	(5,796)
Derecognised on loss of control in subsidiary/business combination	–	(5,196)
Paid during the year	(38,320)	(29,874)
Balance at end of the year	**211,298**	**190,788**

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

	2023	2022
Interest cost	5,589	3,248
Current service cost	46,123	32,381
Total	**51,712**	**35,629**

17.3 The principal actuarial assumptions used are as follows:

	2023	2022
Discount rate	4.60%	4.05%
Increments	6.05% – 8.00%	4.30% – 7.35%
Withdrawal rate		
• Up to the age of 20 years	4% – 22.5%	4% – 22.5%
• From the age of 21 to 25 years	4% – 15.0%	4% – 18.8%
• From the age of 26 to 30 years	4% – 20.0%	4% – 15%
• From the age of 31 to 50 years	3% – 7.5%	3% – 7.5%
• Above 51	1% – 3.8%	1% – 3.8%

17.4 Sensitivity analysis

	Change (bps)	Increase (decrease)	
		31 Dec 2023	31 Dec 2022
Discount rate	+100	(5,686)	(4,213)
	–100	6,152	4,523
Increments	+100	5,605	5,100
	–100	(5,863)	(4,842)

18 Deferred revenue

	Note	2023	2022
Balance as of 1 January		305,024	208,521
Deferred/transferred during the year		523,377	256,990
Recognised during the year		(438,344)	(160,487)
Balance as of 31 December		**390,057**	**305,024**
Less: current portion	19	(250,311)	(214,373)
Non-current portion at end of the year		**139,746**	**90,651**

Deferred revenue primarily represents advance received under long-term maintenance contracts. Revenue will be recognised only upon the fulfilment of remaining performance obligations under the contract i.e., rendering of maintenance service during plant outages.

19 Accounts payables, accruals and other financial liabilities

	Note	As of 31 Dec 2023	As of 31 Dec 2022
Accounts payable		1,265,877	1,158,626
Accrued expenses and other liabilities		827,177	710,872
Reinsurance liabilities and premiums payable	19.1, 40.2.2	347,899	112,802
Salaries and benefits payable		290,186	279,248
Deferred revenues	18	250,311	214,373
Value added tax payable		116,953	77,853
Accrued financial charges on letters of guarantee and loans		28,048	31,371
Lease liabilities		9,739	7,160
Other financial liabilities	24.4	–	1,352
Dividend payable		712	1,087
Others		12,121	1,047
		3,149,023	**2,595,791**

19.1 The balance represents reinsurance liabilities and premiums payable of a fully-owned subsidiary (ACWA Power Reinsurance) of the Group. Related insurance receivable is included in prepayments, insurance and other receivables (note 11.2).

20 Short-term financing facilities

This represents working capital facilities obtained and drawn by subsidiaries and outstanding at the reporting date amounting to SR 316.9 million (31 December 2022: SR 275.1 million). The facilities carry variable rate of interest between 3.96% – 7.17% (2022: 1.15% – 8.75%) per year.

21 Zakat and taxation

21.1 Amounts recognised in profit or loss

	Note	2023	2022
Zakat and tax charge	21.2, 21.3	(140,839)	(122,364)
Deferred tax credit/(charge)[1]	21.4	87,087	(110,510)
Zakat and tax charge		**(53,752)**	**(232,874)**
Less: zakat and tax charge from discontinued operation	34.9	21	33
Zakat and tax charge reflected in profit or loss		**(53,731)**	**(232,841)**

21.2 Significant zakat and tax assessments

The Company

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

[1] Deferred tax charge disclosed in note 21.4 does not include deferred tax charge or credit associated with assets held for sale.

Subsidiaries and associates:

With its multi-national operations, the Group is subject to taxation in multiple jurisdictions around the world with complex tax laws including the Kingdom. The Company's subsidiaries/associates in the Kingdom and other jurisdictions submit their income tax and zakat returns separately. Certain subsidiaries/associates have received assessments from ZATCA/tax authorities, which have led to additional liability totalling to SR 222.0 million (ACWA Power share is SR 126.5 million). As of 31 December 2023, the management has recognised provisions of SR 196.0 million (ACWA Power share is SR 100.0 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 been recognised and anticipates no further liabilities arising from these assessments once they are finalised.

Other aspects

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 commenced from 1 January 2024, and the Group will therefore start providing for current tax as may be due from financial year 2024.

As mandated by G20 Group of countries, OECD launched Base Erosion Profit Shifting ('BEPS 2.0') 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. 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 31 December 2023, 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 recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

21.3 Zakat and tax provision for the year

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

	2023	2022
Balance as of 1 January	236,786	215,502
Charge – for the current year	140,839	122,364
Payments	(183,509)	(101,080)
Derecognised on loss of control	(21)	–
Balance as of the end of the year	**194,095**	**236,786**

21.4 Deferred tax – Movement in deferred tax balances

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

				As of 31 December		
	Net balance at 1 Jan	Recognised in profit or loss[1]	Recognised in OCI including currency translation differences	Net balance	Deferred tax assets	Deferred tax liabilities
2023						
Property, plant and equipment	(456,853)	(47,954)	–	(504,807)	–	(504,807)
Unused tax losses[2]	347,917	126,076	–	473,993	473,993	–
Fair value of derivatives	(18,947)	–	5,837	(13,110)	–	(13,110)
End-of-service employee benefit liability	3,709	(152)	–	3,557	3,557	–
Accruals, provisions and others	29,852	9,117	(8,755)	30,214	30,214	–
	(94,322)	**87,087**	**(2,918)**	**(10,153)**	**507,764**	**(517,917)**
Deferred tax assets and liabilities off-set					(354,441)	354,441
Net deferred tax asset/(liability)					**153,323**	**(163,476)**

				As of 31 December		
	Net balance at 1 Jan	Recognised in profit or loss[1]	Recognised in OCI including currency translation differences	Net balance	Deferred tax assets	Deferred tax liabilities
2022						
Property, plant and equipment	(270,860)	(185,993)	–	(456,853)	–	(456,853)
Unused tax losses[2]	278,691	69,226	–	347,917	347,917	–
Fair value of derivatives	(3,126)	–	(15,821)	(18,947)	–	(18,947)
End-of-service employee benefit liability	5,947	(2,238)	–	3,709	3,709	–
Accruals, provisions and others	33,948	8,495	(12,591)	29,852	29,852	–
	44,600	**(110,510)**	**(28,412)**	**(94,322)**	**381,478**	**(475,800)**
Deferred tax assets and liabilities off-set					(261,523)	261,523
Net deferred tax asset/(liability)					**119,955**	**(214,277)**

[1] Deferred tax expense for the year ended 31 December 2023 is net of positive impact from foreign exchange rate movements of SR 36.3 million (31 December 2022: includes negative impact of SR 161.1 million) on Group's subsidiaries in Morocco whereby foreign currency-denominated assets and liabilities are carried in local currency for tax base purposes.

[2] Deferred tax asset on unused tax losses in relation to certain subsidiaries is recognised only to the extent of tax depreciation which can be realised against future taxable profits for an indefinite period.

22 Derivatives and cash flow hedges

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

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

		Notional		Positive fair value		Negative fair value	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Hedged items	**Hedging instruments**						
Interest payments on floating rate loans	Interest rate swaps	9,187,360	8,767,752	843,080	1,030,668	(43,837)	(1,669)
Highly probable forecast transactions	Forward foreign exchange contracts	1,418,625	–	–	–	(19,071)	–
				843,080	**1,030,668**	**(62,908)**	**(1,669)**
Less: Current portion				88,153	106,131	–	–
Non-current portion				**754,927**	**924,537**	**(62,908)**	**(1,669)**

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

23 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'), 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'.

(All amounts in Saudi Riyals thousands unless otherwise stated)

23 Related party transactions and balances (Continued)

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:

Particulars	Note	Relationships	For the year ended	
			2023	2022
Transactions[1]				
Revenue		Joint ventures/Affiliates	2,483,093	2,073,298
Group services fees	28.1	Joint ventures	236,974	157,257
Finance income from shareholder loans	28	Joint ventures	210,045	140,761
Financial charges on loan from related parties	32	Joint venture/Affiliates	44,354	50,295
Key management personnel compensation				
• Long-term incentive plan[2]		–	36,100	30,815
• End of service benefits		–	6,249	9,824
• Remuneration including director's remuneration		–	45,519	39,281

	Note	Relationships	As of	
			31 Dec 2023	31 Dec 2022
Due from related parties				
Current:				
Hajr for Electricity Production Company	(a)	Joint venture	238,955	208,190
Al Mourjan for Electricity Production Company	(a)	Joint venture	145,826	155,797
Hassyan Energy Phase 1 P.S.C.	(c)	Joint venture	87,837	46,980
ACWA Power Sirdarya	(a)	Joint venture	79,985	46,060
Rabigh Electricity Company	(a)	Joint venture	74,146	35,642
Dhofar O&M Company	(a)	Joint venture	69,570	49,910
Qudrah One Holding Company	(c)	Joint venture	68,608	–
Sidra One Holding Company	(c)	Joint venture	68,608	–
Shuqaiq Services Company for Maintenance	(a)	Joint venture	61,272	25,088
Haya Power & Desalination Company	(a)	Joint venture	52,224	24,166
Hassyan Water Company A P.S.C	(c)	Joint venture	48,332	–
Jazan Integrated Gasification and Power Company	(d)	Joint venture	41,498	28,968
Noor Energy 1 P.S.C	(a)	Joint venture	41,147	150,106
ACWA Power Solarreserve Redstone Solar TPP	(c)	Joint venture	40,861	34,672
Shuaibah Water & Electricity Company	(a)	Joint venture	33,550	24,922
ACWA Guc Isletme Ve Yonetim Sanayi Ve Ticaret	(a), (e)	Joint venture	16,238	9,798
Sudair One Renewable Energy Project Company	(a)	Joint venture	13,752	2,406
Shuaibah Expansion Project Company	(a)	Joint venture	13,226	13,046
ACWA Power Solafrica Bokpoort CSP Power Plant Ltd	(a)	Joint venture	12,826	21,975
Marafiq Red Sea for Energy	(c)	Joint venture	12,673	6,261
Naqa'a Desalination Plant LLC	(a)	Joint venture	12,213	15,970
Other related parties		Joint venture	122,900	85,163
			1,356,247	**985,120**

	Note	Relationships	As of	
			31 Dec 2023	31 Dec 2022
Due to related parties				
Non-current:				
Water and Electricity Holding Company CJSC	(g)	Shareholder's subsidiary	771,602	738,808
Loans from minority shareholders of subsidiaries	(b)	–	83,336	124,079
			854,938	862,887
Current:				
Loans from minority shareholders of a subsidiary	(b)	–	44,189	–
ACWA Power Africa Holdings (Pty) Ltd	(f)	Joint venture	11,514	16,199
ACWA Power Renewable Energy Holding Limited		Joint venture	7,034	18,289
ACWA Guc Isletme Ve Yonetim Sanayi Ve Ticaret		Joint venture	–	21,476
Others		Joint ventures	16,420	32,639
			79,157	**88,603**

(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.

(b) This includes:
- Loan payable to non-controlling shareholders of ACF Renewable Energy Limited amounting to SR 44.2 million (2022: SR 40.7 million). The loans are due for repayment in 2024 and carry profit rate at 5.75% per year; and
- Loan payable to non-controlling shareholders of Qara Solar Energy Company amounting to SR 83.3 million (2022: SR 83.3 million). The loans are due for repayment in 2025 and carry profit rate at LIBOR + 1.3% per year.

(c) These balances represent advances, receivables (on account of development services) or other fundings provided to related parties that has no specific repayment.

(d) 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.

(e) 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 2023, the Group has reversed an impairment loss of SR 5.8 million which was recognised in year 2020 (2022: reversal of SR 5.1 million) upon partial recovery of balance. The balance as of 31 December 2023, represents the receivable related to O&M services provided during the year 2023.

(f) This represents amounts payable to an equity accounted investee in respect of project development cost.

(g) During 2020, the Group declared a one-off dividend of SR 2,701.0 million. A portion of such declared dividend, payable to the Public Investment Fund of Saudi Arabia (the 'Shareholder'), was converted into a long-term non-interest-bearing loan amounting to SR 901.0 million through a wholly-owned subsidiary of the Shareholder. This loan may be adjusted, on behalf of the subsidiary of the Shareholder, against future investments in renewable projects made by the Company, based on certain conditions. The loan will be repaid or settled by 31 December 2030 unless the repayment or settlement period is mutually extended by both parties. The Group recorded this loan at the present value of expected cash repayments discounted using an appropriate rate applicable for long-term loans of a similar nature. The difference between the nominal value of the loan and its discounted value was recognised as other contribution from shareholder within share premium. During the year 2023, SR 32.8 million (2022: SR 31.4 million) finance charge was amortised on the outstanding loan balance.

[1] Other transactions with the Group's equity accounted investees are disclosed in note 7.1.
[2] This includes share-based payments and provision for long-term incentive plan for the key management personnel and Directors.

24 Other liabilities

Other liabilities as reported in the consolidated statement of financial position includes:

	Note	As of 31 Dec 2023	As of 31 Dec 2022
Financial liabilities assumed on loss of control	24.1	239,650	228,127
Asset retirement obligations	24.2	231,012	227,066
Long-term incentive plan	24.3	97,410	91,809
Liabilities in relation to long-term spares agreement		128,601	127,143
Lease liabilities		67,407	63,153
Put options	24.5	2,760	2,760
Coal derivative liabilities	24.4	–	80,012
Others		722	–
		767,562	**820,070**

24.1 This represents financial liabilities assumed on loss of control in a subsidiary during 2018 (note 7.1.2).

24.2 The movement of asset retirement obligations is as follows:

	2023	2022
Balance at beginning of the year	227,066	194,320
Recognised during the year	3,023	25,973
Unwinding of interest	923	6,773
Balance at end of the year	**231,012**	**227,066**

24.3 During the year 2021, 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 2020 and comprises three separate performance periods of three years each. Cash awards will vest pursuant to the LTIP at the end of each performance period subject to the achievement of performance conditions. In this regard, during the year a provision of SR 36.1 million (2022: SR 30.8 million) has been recognised within general and administration expenses.

During the year ended 31 December 2023, the Board of Directors approved to replace the existing LTIP with a share-based incentive plan (hereinafter referred as the 'Employees Stock Incentive Programme' or the 'Programme'). In this regard, on 22 June 2023, the shareholders of the Company approved to buy back Company shares with a maximum of 2.0 million shares. As terms and conditions of the Program is yet to be communicated to eligible employees, the Grant Date criteria (as specified under IFRS 2 – Share-based payment) has not been satisfied as of 31 December 2023. Accordingly, the management has not yet taken the impact of the Program in these consolidated financial statements.

24.4 In previous periods, the Group entered into a coal supply agreement (the 'Ancillary Agreement') with a third-party supplier (the 'Coal Supplier'), in relation to an independent power plant (IPP) owned by an equity accounted investee (the 'Investee'), where the Group has committed to cover the difference or take up the surplus between two agreed prices with the coal supplier during the IPP's period of operations. Pursuant to the agreement, for any difference between two agreed price formulas (i.e., reference under the coal supply agreement as opposed to the coal supplier's actual prices agreed on sourcing of such coal) the Group is obliged to pay or receive the difference when the coal is procured.

During the year ended 31 December 2023, the Group has recognised a gain on change in fair value of the Derivative amounting to SR 25.6 million (31 December 2022: SR 104.6 million) within other income.

Further, on 11 October 2023, the Group entered into a tripartite settlement agreement (the 'Settlement Agreement') with the Coal Supplier and the Investee, whereby the parties agreed to cancel the Ancillary Agreement for a certain consideration. Pursuant to the Settlement Agreement, the Group has reversed the outstanding coal derivative liability amounting to SR 58.8 million and recognised a net gain of SR 28.8 million in other income.

24.5 This represents liability with respect to put options written by the Group in respect of shares held by non-controlling interests in a consolidated subsidiary. The contractual obligation to purchase equity instruments was initially recognised as a financial liability and a corresponding amount has been recorded in equity in the consolidated statement of financial position at the present value of the redemption amount being SR 27.2 million (note 14.5).

25 Revenue

	Note	2023	2022
Services rendered			
Operation and maintenance		2,327,083	1,922,409
Development and construction management services		944,032	803,865
Others	25.1	5,078	224
Sale of electricity			
Capacity charges	25.3	781,002	804,562
Energy output		296,210	263,046
Finance lease income	8.1	357,102	137,947
Sale of water – Capacity			
Capacity charges	25.2, 25.3	965,019	945,489
Water output	25.2	317,130	292,943
Finance lease income	8.1	102,354	105,445
		6,095,010	**5,275,930**

→ Refer to note 36 for the geographical distribution of revenue.

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

25.2 Includes revenue from sale of steam of SR 399.0 million during the year (2022: SR 399.7 million).

25.3 This represents revenue in relation to the Group's operating lease assets.

26 Operating costs

	Note	2023	2022
Direct material cost and station operating cost		899,790	773,247
Staff cost		586,618	542,626
Depreciation	5.3	426,388	431,367
Operating and technical fee		424,287	350,164
Direct insurance cost		83,572	88,171
Natural gas and fuel cost		33,778	89,660
Liquidated damages expense		–	15,604
Other direct overheads		145,397	119,743
		2,599,830	**2,410,582**

27 General and administration expenses

	Note	2023	2022
Salaries and other employee benefits		691,870	578,760
Professional and legal fees		186,828	151,093
Travel expenses		57,158	39,947
Provisions	27.1	73,539	78,342
Communication, subscription, and sponsorship costs		45,124	16,653
Provision for long-term incentive plan	24.3	36,100	30,814
Depreciation expense	5.3	20,857	21,415
Amortisation of intangible assets	6.2	15,896	13,035
Utilities expenses		14,459	15,359
Directors' remuneration		13,473	11,020
Public relations cost		12,596	10,954
Repairs and maintenance expenses		2,491	2,309
Others		66,301	59,638
		1,236,692	**1,029,339**

27.1 Provisions includes impairment allowance charge for the year in relation to:
- Trade receivables and related party balances amounting to SR 58.3 million (2022: SR 56.7 million);
- Inventories amounting to SR 7.6 million (2022: SR 8.1 million); and
- Other assets amounting to SR 7.6 million (2022: SR 13.5 million).

28 Other operating income

	Note	2023	2022
Group services	28.1	236,974	157,257
Finance income from shareholder loans	23	210,045	140,761
Performance liquidated damages and insurance recovery	28.2	103,289	221,730
		550,308	**519,748**

28.1 Group services amounting to SR 237.0 million (2022: SR 157.3 million) relates to management advisory, and ancillary support provided by the Group to its various equity accounted investees.

28.2 This includes performance liquidated damages recovered from EPC contractors and business interruption insurance recoveries amounting to SR 21.2 million (2022: SR 177.8 million) and SR 82.1 million (2022: SR 43.9 million) respectively in relation to certain of the Group's subsidiaries in Morocco.

29 Other income

	Note	2023	2022
Gain on change in fair value of the derivative	24.4	54,412	104,571
Income in relation to early settlement of long-term financing and funding facilities and termination of hedging instruments	29.1	6,769	113,213
Sale of inventory		–	32,930
Others		30,950	25,547
		92,131	**276,261**

29.1 This includes income in relation to early settlement of APMI One bonds amounting to nil (2022: SR 74.8 million, refer to note 16.2) and recycling of the hedge reserves, upon termination of certain hedging contracts (in relation to certain of the Group's subsidiaries and equity accounted investee), amounting to SR 6.8 million (2022: SR 38.4 million).

30 Impairment loss and other expenses, net

	Note	2023	2022
Impairment loss	30.1	–	121,595
Arbitration/legal claim and supplier settlement (reversal) / expense	30.2	(10,200)	111,532
Corporate social responsibility	30.3	10,413	18,383
		213	**251,510**

30.1 Impairments loss

	Note	2023	2022
Impairment loss on property, plant and equipment	5	–	121,595

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

Barka:
ACWA Power Barka SAOG's existing WPA on its Reverse Osmosis Plants (RO Plants) and PWPA (Main Plant) expired on 31 December 2021 and 8 February 2022, respectively. On 2 February 2022, management secured an extension of its WPA (RO Plants) for next 23 months with an option to extend further by another nine months. However, there has been no material development on the renewal of PWPA (Main plant).

Due to non-renewal of PWPA (Main Plant) and existing unfavourable Oman's spot market, an impairment assessment was performed under IFRS to assess the recoverable amount. For these purposes, a third-party expert was engaged to re-confirm the tariff assumptions considered last year in the experts report for the assessment of the Plant's recoverable value.

The recoverable amount was assessed to be lower than the carrying amount of the asset and impairment of Nil was recorded in the current year (2022: SR 121.6 million). A pre-tax discount rate of 7.60% (2022: 9.21%) was used in assessing the present value of future cash flows. A change in discount rate by 1% will further cause the carrying amount to exceed its recoverable amount by Nil (2022: SR 19.9 million).

During the year 2022, on the basis of renewal of WPA extension which also expired in February 2022, Barka's management was successful in restructuring its senior debt.

30.2 This includes provisions/expenses pertaining to potential legal claims; arbitration settlements; and supplier's settlements on account of procurement cancellation.

30.3 During the year 2023, the Group contributed SR 10.4 million (2022: SR 18.4 million) in various countries including Saudi Arabia primarily to support education and related infrastructure.

In addition to this, the Group has a commitment to contribute SR 75.0 million towards corporate social responsibility initiatives in Uzbekistan.

31 Exchange gain/(loss), net

	2023	2022
Realised exchange (loss)/gain	(12,736)	19,914
Unrealised exchange gain/(loss)	15,510	(56,848)
	2,774	**(36,934)**

32 Financial charges

	Note	2023	2022
Financial charges on borrowings		1,342,124	1,021,149
Financial charges on letters of guarantee		69,215	110,272
Financial charges on loans from related parties	32.1	44,354	50,295
Other financial charges		19,210	47,106
	32.2	**1,474,903**	**1,228,822**

32.1 This includes discount unwinding, on long-term related-party balances amounting to SR 32.8 million (2022: SR 31.4 million).

32.2 Total financial charges includes SR 744.0 million (2022: SR 393.8 million) in relation to Islamic financing facilities.

33 Earnings per share

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

	31 Dec 2023	31 Dec 2022
Issued ordinary shares as at	**731,100**	**731,100**
Weighted average number of ordinary shares outstanding during the year ended	**731,100**	**731,100**

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

Net profit for the year attributable to equity holders of the Parent	**1,661,714**	**1,540,035**
Profit for the year from continuing operations attributable to equity holders of the Parent	**1,671,662**	**1,322,931**
Basic and diluted earnings per share to equity holders of the Parent (in SR)	**2.27**	**2.11**
Basic and diluted earnings per share for continuing operations to equity holders of the Parent (in SR)	**2.29**	**1.81**

34 Discontinued operations

34.1 Shuqaiq Water and Electricity Company

The Group sold its 32% effective shareholding (its entire shareholding) in Shuqaiq Water and Electricity Company ('Shuqaiq'), along with its related holding companies, and 32% interest (partial shareholding) in the related O&M contract (the 'O&M entity' or 'Shuqaiq Services Company for Maintenance'), which was previously with the Group's wholly-owned subsidiary, First National Operations and Maintenance Company ('NOMAC'), effective from 17 March 2022 ('the Closing Date'). On the Closing Date, the shares were transferred to the Buyer. The sale consideration of SR 391.4 million has been settled by the Buyer.

Consequently, the Group derecognised its entire investment in Shuqaiq and deconsolidated net assets related to the O&M entity. The Group's remaining 68% interest in the O&M entity is retained at fair value and accounted for using the equity method effective from the Closing Date. The Group recognised a net loss of SR 17.2 million on the transaction as follows:

	Note	As of 17 March 2022
Fair value of consideration received		391,440
Fair value of retained investment in the O&M entity		159,859
Derecognition of investment in Shuqaiq		(378,925)
Carrying amount of net assets derecognised related to the O&M entity		(44,322)
Goodwill allocated to Shuqaiq		(12,600)
Accumulated other reserves recycled to profit or loss from OCI	14.5	(128,638)
Transaction cost		(3,993)
Net loss on disposal		**(17,179)**

Statement of financial position of the O&M entity as of the Closing Date is as follows:

	Note	As of 17 March 2022
Assets		
Cash and cash equivalents		469
Inventories		39,305
Accounts receivable, prepayments and other receivables		37,968
Property, plant and equipment	5	968
		78,710
Liabilities		
Accounts payable and accruals		25,086
Deferred revenue		4,106
Employee end of service benefits' liabilities		5,196
		34,388
Net assets		**44,322**

Results of Shuqaiq and O&M entity are disclosed in note 34.9.

(All amounts in Saudi Riyals thousands unless otherwise stated)

34 Discontinued operations (Continued)

34.2 ACWA Power Uzbekistan Project Holding Company

On 14 September 2022, ACWA Power entered into a Sale Purchase Agreement ('SPA') for the sale of a 49% stake in its wholly-owned subsidiary, ACWA Power Uzbekistan Project Holding Company ('the Investee Company' or 'Sirdarya'). The Investee Company held 100% stake in ACWA Power Sirdarya ('the Project Company') before disposal. Legal formalities in relation to disposal were completed on 27 December 2022.

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 Investee together with the Project Company. Consequently, ACWA power lost control in the Sirdarya and recognised a gain of SR 235.7 million. At the date of the transaction completion, ACWA Power has started to account for Sirdarya using the equity method of accounting in accordance with the requirements of IFRS 11 – Joint Arrangements.

Summary of the gain recognised on loss of control is included below:

	Note	31 Dec 2022
Fair value of consideration received including Buyer's share in shareholder loan		12,202
Less: Fair value of net assets derecognised	34.2.1	(332,992)
		(320,790)
Add: Fair value of retained investment		48
Add: Other reserves recycled to income statement		510,382
Add: Receivables from Sirdarya		46,060
Net gain on loss of control		**235,700**

34.2.1 As of the date of loss of control net assets of the Sirdarya includes followings:

	31 Dec 2022
Assets	
Capital work in progress	2,446,823
Intangible assets	107
Fair value of derivatives	510,382
Accounts receivable, prepayments and other receivables	57,042
Cash and cash equivalents	22,895
Liabilities	
Loans and borrowings	(2,691,844)
Payable, accruals and other liabilities	(12,413)
Net assets	**332,992**

Consolidated results of the investee Company are disclosed in note 34.9.

34.3 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 31 December 2023. For the purpose of these consolidated financial statements, the net assets of Solar V together with carrying value of ACWA Power's Investment in Shuaa 3 amounting to SR 52.6 million (31 December 2022: SR 62.6 million) were classified as assets held for sale. Other reserves associated with Shuaa 3 amounts to SR 7.1 million (31 December 2022: SR 82.5 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.

34.4 Vinh Hao 6 Power Joint Stock Company

On 20 October 2022, ACWA Power entered into a Sale Purchase Agreement ('SPA') for the sale of a 60% stake (complete stake) in its equity-accounted investee, Vinh Hao 6 Power Joint Stock Company ('Vinh Hao'), subject to the satisfaction of conditions precedent in the SPA. Legal formalities in relation to disposal were completed on 27 April 2023.

Consequently, the Group derecognised its entire investment in Vinh Hao. The Group recognised a gain of SR 0.5 million on divestment as follows:

		27 April 2023
Fair value of consideration received including cash received against shareholder loan		75,480
Derecognition of investment in Vinh Hao		(73,487)
Transaction cost		(1,461)
Gain on disposal		**532**

Further Goodwill amounting to SR 9.2 million was allocated to Vinh Hao and charged to the consolidated statement of profit or loss upon divestment.

Results of Vinh Hao are disclosed in note 34.9.

34 Discontinued operations (Continued)

34.5 Noor Al Shuaibah

On 15 June 2023, ACWA Power entered into a share transfer arrangement whereby the Group transferred its 30.0% and 35.0% shares (partial shareholding) 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 year ended 31 December 2023.

As a result of the transfer, ACWA Power now holds 35.0% shareholding in the Investee. Further, ACWA Power now jointly controls the decisions for the relevant activities that most significantly affect the returns of the Investee. Consequently, ACWA power lost control in the Investee and recognised a gain of SR 1.8 million. At the date of the transaction completion, ACWA Power has started to account for the Investee using the equity method of accounting in accordance with the requirements of IFRS 11 – Joint Arrangements.

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

	Note	SR'000
Assets		
Capital work in progress	5	1,286,738
Accounts receivable, prepayments and other receivables		130,135
Cash and cash equivalents		712,735
Liabilities		
Loans and borrowings		(1,675,722)
Due to related parties		(449,810)
Payable, accruals and other liabilities		(5,790)
Net liabilities		**(1,714)**

Consolidated results of the Investee are disclosed in note 34.9.

34.6 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'). The Investee Companies holds 100% stake in ACWA Power Bash Wind LLC and ACWA Power Dzhankeldy LLC ('the Project Companies') respectively. The disposal is subject to the satisfaction of certain conditions precedent in the SPA, which are not completed as of 31 December 2023.

For the purpose of these consolidated financial statements, assets and liabilities of the Investee Companies together with the Project Companies are presented as held for sale, as summarised below:

	Note	31 Dec 2023
Assets		
Capital work in progress	5	2,197,230
Fair value of derivatives		391,136
Accounts receivable, prepayments and other receivables		62,038
Cash and cash equivalents		100,281
Assets held for sale		**2,750,685**
Liabilities		
Loans and borrowings		2,543,523
Payable, accruals and other liabilities		40,682
Liabilities associated with assets held for sale		**2,584,205**
Other reserves associated with assets held for sale		**391,136**

Consolidated results of the Investee Companies together with the Project Companies are disclosed in note 34.9.

34.7 Others

During the year ended 31 December 2023, the Group also divested its effective 33.28% and 39.90% shareholding in Oasis Holding Company ('OHC') and Layla and Ar Rass Holding Company LLC ('LRHC') (together termed as the Entities) respectively, then wholly-owned subsidiaries of the Group. The Group lost control in the Entities because of the divestment. The Group's remaining effective stake in the Entities (i.e., 66.72% and 60.1% in OHC and LRHC respectively) is retained at fair value and accounted for using the equity method of accounting effective from the divestment date.

Details of gain on the divestment is included below:

		SR'000
Fair value of consideration received		472
Fair value of retained investments		731
Inter-company receivables recognised upon deconsolidation		1,155
Carrying amount of net assets derecognised		(775)
Net gain on disposal		**1,583**

34.8 In addition to above, during the year ended 31 December 2022, the Group partially disposed-of its equity stake in a subsidiary without losing control over the investee. Refer to note 15.2.

34 Discontinued operations (Continued)

34.9 Results of discontinued operations

For the year ended 31 December	2023						2022						
	Shuaa 3	Vinh Hao	Bash Wind and Dzhankeldy	Noor Al Shuaibah	Others	Total	O&M entity including Shuqaiq	Sirdarya	Shuaa 3	Vinh Hao	Bash Wind and Dzhankeldy	Noor Al Shuaibah and others	Total
Revenue	–	–	–	–	–	–	22,360	–	–	–	–	–	22,360
Operating costs	–	–	–	–	–	–	(17,678)	–	–	–	–	–	(17,678)
General and administration expenses	–	–	(885)	–	(462)	(1,347)	(1,138)	(1,053)	–	–	(278)	(850)	(3,319)
Other operating income	–	–	–	–	–	–	–	1	–	–	–	–	1
Other income	–	–	3,606	–	–	3,606	–	–	–	–	169	–	169
Financial charges, net	–	–	–	–	–	–	–	–	–	–	148	–	148
Foreign exchange loss	–	–	(189)	–	–	(189)	–	(88)	–	–	92	–	4
Zakat and tax charge	–	–	–	–	(21)	(21)	–	–	–	–	–	(33)	(33)
Net income	**–**	**–**	**2,532**	**–**	**(483)**	**2,049**	**3,544**	**(1,140)**	**–**	**–**	**131**	**(883)**	**1,652**
Share in net results	(2,900)	(3,867)	–	–	–	(6,767)	(7,598)	–	1,605	2,924	–	–	(3,069)
	(2,900)	**(3,867)**	**2,532**	**–**	**(483)**	**(4,718)**	**(4,054)**	**(1,140)**	**1,605**	**2,924**	**131**	**(883)**	**(1,417)**
Gain/(loss) on divestment	–	532	–	1,815	1,583	3,930	(4,579)	235,700	–	–	–	–	231,121
Goodwill allocation	–	(9,160)	–	–	–	(9,160)	(12,600)	–	–	–	–	–	(12,600)
(Loss)/profit from discontinued operations	**(2,900)**	**(12,495)**	**2,532**	**1,815**	**1,100**	**(9,948)**	**(21,233)**	**234,560**	**1,605**	**2,924**	**131**	**(883)**	**217,104**

34.10 Contingencies and commitments

Contingencies and commitments in relation to discontinued operations are disclosed in note 35.

35 Contingencies and commitments

As of 31 December 2023, the Group had outstanding contingent liabilities in the form of letters of guarantee, corporate guarantees issued in relation to bank facilities for project companies and performance guarantees amounting to SR 17.46 billion (31 December 2022: SR 13.25 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 31 Dec 2023	As of 31 Dec 2022
Performance/development securities and completion support Letters of Credit ('LCs')	5,430,090	3,925,056
Guarantees in relation to equity bridge loans and equity LCs[1]	7,270,560	5,963,604
Guarantees on behalf of joint ventures and subsidiaries	3,241,736	2,083,559
Debt service reserve account ('DSRA') standby LCs	1,290,429	1,080,505
Bid bonds for projects under development stage	223,163	193,097
	17,455,978	**13,245,821**

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.

[1] This primarily represents the Group's equity commitments towards its subsidiaries and joint ventures (the 'Investees'). In addition to this the Group's other future equity commitments towards the Investees amounts to SR 4.20 billion (2022: SR 3.92 billion).

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.

36 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 optimise). 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 optimise).
(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.

(All amounts in Saudi Riyals thousands unless otherwise stated)

36 Operating segments (Continued)

Key indicators by reportable segment

Revenue

	2023	2022
(i) Thermal and Water Desalination	4,518,621	4,257,860
(ii) Renewables	1,571,312	1,017,846
(iii) Others	5,077	224
Total revenue	**6,095,010**	**5,275,930**

Operating income before impairment and other expenses

	2023	2022
(i) Thermal and Water Desalination	2,685,427	2,502,450
(ii) Renewables	1,050,362	782,795
(iii) Others	3,989	(328)
Total	**3,739,778**	**3,284,917**
Unallocated corporate operating income/(expenses)		
General and administration expenses	(868,051)	(744,403)
Depreciation and amortisation	(35,267)	(31,975)
Provision for long-term incentive plan	(36,100)	(30,814)
Provision reversal on due from related party	5,839	5,100
Other operating income	177,586	131,936
Total operating income before impairment and other expenses	**2,983,785**	**2,614,761**

Segment profit

	Note	2023	2022
(i) Thermal and Water Desalination		1,806,842	1,983,289
(ii) Renewables		696,710	204,900
(iii) Others		5,024	(322)
Total		**2,508,576**	**2,187,867**
Reconciliation to profit for the year from continuing operations			
General and administration expenses		(868,051)	(744,403)
Arbitration claim reversals/(expenses) and others	30.2	10,200	(111,532)
Impairments in relation to subsidiaries	30.1	–	(121,595)
Provision for long-term incentive plan	24.3	(36,100)	(30,814)
Corporate social responsibility contribution	30.3	(10,413)	(18,383)
Provision reversal on due from related party	23 (e)	5,839	5,100
Gain on remeasurement of options		–	2,415
Discounting impact on loan from shareholder subsidiary	23 (g)	(32,794)	(31,398)
Depreciation and amortisation		(35,267)	(31,975)
Other operating income		177,586	131,936
Other income		164,778	97,133
Financial charges and exchange loss, net		(19,425)	(11,829)
Zakat and tax charge		(83,652)	(63,216)
Profit for the year from continuing operations		**1,781,277**	**1,259,306**

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	
	2023	2022	31 Dec 2023	31 Dec 2022
Kingdom of Saudi Arabia	3,086,557	2,476,181	23,255,954	21,516,440
Middle East and Asia	2,358,099	2,496,592	8,440,835	7,631,337
Africa	650,354	303,157	9,039,047	8,555,393
	6,095,010	**5,275,930**	**40,735,836**	**37,703,170**

Information about major customers

During the period, two customers (2022: 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	
	2023	2022
Customer A	1,164,721	1,154,175
Customer B	447,463	560,137

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

37 Financial risk management

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 Management 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.

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

37.1 Credit risk

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

(All amounts in Saudi Riyals thousands unless otherwise stated)

37 Financial risk management (Continued)

37.1 Credit risk (Continued)

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

	Note	As of 31 Dec 2023	As of 31 Dec 2022
Balances with banks		5,957,971	6,353,870
Fair value of derivatives	22	843,080	1,030,668
Net investment in finance lease	8	11,616,676	11,880,328
Trade accounts receivable	11	1,548,338	1,276,078
Due from related parties	23	1,356,247	985,120
Insurance receivables	11.2	325,206	110,597
Other financial assets		40,946	27,430
		21,688,464	**21,664,091**

Balances with banks

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.

Net investment in finance lease

Finance lease receivable represent receivable of Group's subsidiaries in Morocco and Kingdom of Saudi Arabia from the offtaker in accordance with the Power or Water Purchase Agreements ('PPA' or 'WPA'). Credit risk attached to the finance lease receivable is limited due to the strength of Government letter of support, Government guarantee or appropriate credit rating of offtaker.

Trade accounts receivables

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

	As of 31 Dec 2023	As of 31 Dec 2022
United Arab Emirates ('UAE') and other countries	685,009	675,852
Kingdom of Saudi Arabia ('the Kingdom')	390,504	242,932
Morocco (covered by Government letter of support)	306,652	154,544
Hashemite Kingdom of Jordan (covered by Government guarantee)	156,636	197,718
Sultanate of Oman (covered by Government guarantee)	9,537	5,032
	1,548,338	**1,276,078**

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

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

	As of 31 Dec 2023	As of 31 Dec 2022
Neither past due nor impaired	317,841	654,583
Past due 1–90 Days	538,711	285,743
More than 90 Days	691,786	335,752
	1,548,338	**1,276,078**

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.

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

	2023	2022
Opening balance at 1 January	86,204	29,519
Impairment charge	58,309	56,685
Closing balance at 31 December	**144,513**	**86,204**

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

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

In common with other reinsurance companies, in order to minimise financial exposure arising from large reinsurance claims, ACWA Power Reinsurance Co. Limited ('ACWA-Re', a 100%-owned subsidiary of the Group) in the normal course of business, enters into arrangements with other parties for reinsurance purposes. Such reinsurance arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. The reinsurance is effected under facultative arrangements. Between 31 July 2019 and 30 July 2020, ACWA Power retained an element of risk within its property reinsurance programme 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 2021, ACWA-Re retained risk on certain reinsurance programs (operational property programme), with a total combined maximum exposure of up to SR 37.5 million during the policy period until 30 July 2022, with a sublimit of SR 9.4 million per incident or claim. Effective 31 July 2022, the total combined maximum exposure on the operational property programme has increased to SR 61.9 million representing 27.5% of USD 60.0 million for the period of 18 month until 31 January 2024, with a sublimit of SR 10.3 million (27.5% of USD 10.0 million) per incident or claim.

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

Due from related parties and other financial assets

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 concentrations of credit risk were identified by the management as at the reporting date.

37.2 Liquidity risk

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

As of 31 December 2023, the Group had SR 2,061.0 million (31 December 2022: SR 1,499.3 million) remaining undrawn from its Revolving Corporate Murabaha Facility and other corporate revolver facilities.

(All amounts in Saudi Riyals thousands unless otherwise stated)

37 Financial risk management (Continued)
37.2 Liquidity risk (Continued)

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

				Contractual cash flows		
As of 31 December 2023	**Carrying Amount**	**Total**	**No fixed maturity**	**0-12 months**	**1-5 years**	**More than 5 years**
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)**
As of 31 December 2022						
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
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**	**–**

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.

Changes in liabilities arising from financing activities

Change in liabilities arising from financing activities can be broken down as follows:

	As of 1 Jan	**Cash flows**	**Exchange loss/ unwinding of interest**	**Deconsolidation on loss of control**	**Held for sale**	**Other movements**	**As of 31 Dec**
2023							
Financing and funding facilities	23,647,634	5,857,216	194,281	(1,675,722)	(2,543,523)	–	25,479,886
Dividends payable	1,087	(705,992)	–	–	–	705,617	712
Due to related parties	862,887	–	32,794	–	–	(40,743)	854,938
Other financial liabilities	310,899	–	–	–	–	(68,489)	242,410
Fair value of derivatives	1,669	–	–	–	–	61,239	62,908
2022							
Financing and funding facilities	24,001,610	2,738,852	(400,984)	(2,691,844)	–	–	23,647,634
Dividends payable	1,305	(625,619)	–	–	–	625,401	1,087
Due to related parties	1,594,852	(757,933)	31,398	(312)	–	(5,118)	862,887
Other financial liabilities	265,295	–	–	–	–	45,604	310,899
Fair value of derivatives	361,408	–	–	–	–	(359,739)	1,669

37.3 Market risk

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

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

Foreign currency risk

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

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:

Equivalent to thousands of Saudi Riyals **As of 31 December 2023**	**EUR**	**MAD**	**ZAR**	**JPY**
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**

As of 31 December 2022				
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**

Sensitivity analysis

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

	Impact – (Profit) or loss		**Impact – OCI**	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
For the year ended 31 December 2023				
EUR (5% movement)	(5,029)	5,029	–	–
MAD (5% movement)	(29,062)	29,062	–	–
JPY (5% movement)	1,918	(1,918)	–	–
ZAR (5% movement)	–	–	21,456	(21,456)

(All amounts in Saudi Riyals thousands unless otherwise stated)

37 Financial risk management (Continued)
37.3 Market risk (Continued)
Sensitivity analysis (Continued)

	Impact – (Profit) or loss		Impact – OCI	
For the year ended 31 December 2022				
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)

Interest rate risk:

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

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

	As of 31 Dec 2023	As of 31 Dec 2022
Financial liabilities		
Fixed rate	10,891,125	11,017,533
Floating rate	14,271,885	12,355,049

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

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

	Profit or loss		Equity	
	+100 bps	-100 bps	+100 bps	-100 bps
Impact on variable rate financial liabilities				
For the year ended 31 December 2023[1]	(142,719)	142,719	(142,719)	142,719
For the year ended 31 December 2022[1]	(123,550)	123,550	(123,550)	123,550

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.

[1] 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.

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.

38 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.

(All amounts in Saudi Riyals thousands unless otherwise stated)

38 Fair values of financial instruments (Continued)

					Fair value
	Carrying amount	Level 1	Level 2	Level 3	Total
As of 31 December 2023					
Financial liabilities/(asset)					
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
As of 31 December 2022					
Financial liabilities					
Fair value of derivatives used for hedging	(1,028,999)	–	(1,028,999)	–	(1,028,999)
Long-term financing and funding facilities	23,372,582	1,421,291	21,845,332	–	23,266,623
Other financial liabilities – coal derivative	81,364	–	81,364	–	81,364

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

Valuation technique and significant unobservable inputs

Type	Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value measurement
Derivatives used for hedging[1] Bank borrowings[2]	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
Coal derivative[1]	Discounted cash flows: 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

[1] The instruments were measured at fair value in consolidated statement of financial position.
[2] The fair value of these instruments were measured for disclosure purpose only.

39 Subsequent events

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 (refer to note 14.3). Further, the Board of Directors have also recommended granting bonus shares to the Company's shareholders through capitalisation of SR 14.6 million from the retained earnings by granting 1 share for every 500 shares owned (refer to note 14.4).

On 5 January 2024, an arbitration tribunal of International Centre for Settlement of Investment Disputes ('ICSID') issued an award letter (the 'Award') in relation to ongoing arbitration between ACF Renewable Energy Limited (a 42.0%-owned subsidiary of ACWA Power) and Republic of Bulgaria. Pursuant to the Award, ACF Renewable Energy Limited is entitled to a compensation of EUR 43.0 million (equivalent to SR 176.30 million) net of legal cost. The Group's share in the net compensation is EUR 18.06 million (equivalent to SR 74.05 million) and it will be recognised in the consolidated statement of profit or loss once the settlement formalities are completed.

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

40 Comparative figures

Certain figures for the prior year have been reclassified or adjusted to conform to the presentation in the current year. This includes reclassifications as required under IFRS 5 – Non-current assets held for sale and discontinued operations (refer to note 34). Summary of reclassifications/adjustments are as follows:

40.1 Consolidated statement of profit or loss and other comprehensive income:

Particulars	As previously reported	Reclassifications due to discontinued operations (refer to note 34.9)	Reclassifications to conform to the presentation in the current period	As reported in these financial statements
Continuing operations				
General and administration expenses	(1,030,467)	1,128	–	(1,029,339)
Other income	394,821	(169)	(118,391)	276,261
Finance income	–	–	118,391	118,391
Exchange loss, net	(36,842)	(92)	–	(36,934)
Financial charges, net	(1,228,674)	(148)	–	(1,228,822)
Zakat and tax charge	(232,874)	33	–	(232,841)
Discontinued operations				
Gain from discontinued operations	217,856	(752)	–	217,104

40 Comparative figures (Continued)

40.2 Consolidated statement of financial position:

Particulars	As previously reported	Reclassifications (refer to note 40.2.1)	Adoption of IFRS 17 (refer to note 40.2.2)	Reclassifications to conform to the presentation in the current period	As reported in these financial statements
Current assets:					
Accounts receivable, prepayments and other receivables	3,227,164	(306,871)	(148,585)	–	2,771,708
Short-term investments	–	–	–	199,998	199,998
Cash and cash equivalents	–	–	–	6,154,524	6,154,524
Cash and balances with banks	6,354,522	–	–	(6,354,522)	–
Current liabilities:					
Accounts payable, accruals and other financial liabilities	3,051,247	(306,871)	(148,585)	–	2,595,791

40.2.1 As of 31 December 2022, consolidated accounts payables include SR 306.9 million in relation to fuel cost of Central Electricity Generating Company ('CEGCO') (a Group's subsidiary) on account of fuel supplied by Jordan Petrol Refinery PLC ('the Supplier'). The fuel cost was pass through to National Electric Power Company ('NEPCO' or 'the Offtaker'). Accordingly, CEGCO had a corresponding receivable balance of SR 306.9 million from NEPCO, as of 31 December 2022.

During the year, CEGCO received a confirmation from the Supplier that it has signed a settlement agreement ('Settlement Agreement') with NEPCO in relation to outstanding fuel supplies related balances of CEGCO, as of 31 December 2022, amounting to SR 306.9 million. Accordingly, CEGCO is no longer required to settle this balance to the Supplier. As the Settlement Agreement was signed during the year 2022, the Group has reflected this settlement and reduced the fuel payable to the Supplier and related receivables from NEPCO for the aforementioned amount effective from 31 December 2022 consistent with presentation followed by CEGCO.

40.2.2 Commencing 1 January 2023, ACWA-Re, a wholly-owned subsidiary of the Group, adopted IFRS 17 Insurance Contracts for its statutory financial statements. Despite the substantial offsetting of ACWA-Re's exposure to insurance contracts through its reinsurance arrangements, no material impact was identified on the consolidated profit or loss or retained earnings. However, for conformity with the current IFRS requirements, specific balances from the comparative period were reclassified. These reclassification adjustments resulted in a reduction of insurance/reinsurance assets and liabilities by SR 148.6 million each as of 31 December 2022.

41 Approval of the consolidated financial statements

These consolidated financial statements were approved by the Board of Directors and authorised for issue on 18 Sha'ban 1445H, corresponding to 28 February 2024.