

ACWA POWER COMPANY

(Saudi Listed Joint Stock Company)

**Consolidated Financial Statements
and Independent Auditor's Report
31 December 2025**



KPMG Professional Services Company

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

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

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 2025, 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 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS as issued by the International Accounting Standards Board that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization 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, as applicable to audits of the financial statements of public interest entities. We have also 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 judgment, 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.

Independent Auditor's Report

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

Impairment of Property, Plant and Equipment and Equity Accounted Investees

Refer to note 3 in the consolidated financial statements for material accounting policies, note 4 for estimates, assumptions and judgments relating to impairment of non-financial assets, note 5 for property, plant and equipment and note 7 for investment in equity accounted investees.

The key audit matter	How the matter was addressed in our audit
As at 31 December 2025, 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 16,407 million and SAR 22,690 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 EAI. Where indicators of impairment are identified, management performs an impairment assessment on the recoverable amount of property, plant and equipment and investment in EAI. 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 off taker or the remaining economic useful life of an asset. We identified impairment of property, plant and equipment and investment in EAI as a key audit matter as the determination of recoverable amount involves significant judgements and assumptions by management, which include: - 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.	We performed the following procedures: • Obtained an understanding of the management's process for identifying impairment indicators and performing impairment assessment on non-financial assets where impairment indicators exists. • Performed risk assessment procedures, to identify assets and investments having indicators of impairment. These procedures would include inquiries with management and internal audit, inspection of minutes of meeting of board committees, correspondence with component auditors and consideration of other factors indicating technological, operational or financial concerns. • For the assets where the impairment indicators were identified, we performed the following procedures: - Obtained and assessed the financial models and impairment testing performed by management. - Evaluated the appropriateness of the methodology used for estimation of recoverable amount. - Tested the data inputs into the model and assessed the reasonableness of assumptions used by management in the impairment assessment. - Evaluated consistency of assumptions used by management for different projects to assess indication of management bias, if any. - Engaged KPMG valuation specialists, where applicable, to assess the appropriateness of calculations performed by management in determining the discount rate. - Tested the accuracy of the impairment assessment model calculation. • Assessed the adequacy of Group's disclosures in the consolidated financial statements.

Independent Auditor's Report

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

Valuation of derivative financial instruments and hedge effectiveness

See Note 3 to the consolidated financial statements for the accounting policy relating to derivative financial instruments and note 22 for the related disclosure.

The key audit matter	How the matter was addressed in our audit
As at 31 December 2025, the fair value of derivative assets and liabilities held by the Group amounted to SAR 484 million and SAR 85 million respectively. The Group entered into various derivative transactions, including interest rate swap, forward foreign exchange contracts and options. The swaps, forward and option derivative contracts are over the counter 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 involve management judgement. An inappropriate valuation of derivatives could have a material impact on the consolidated financial statements and the related hedge accounting. Hedge accounting for forecast transactions requires robust documentation and compliance with stringent hedge effectiveness requirements and parameters. Accounting for discontinuation of hedges upon refinancing/rescheduling of debt or settlement /reprofiling of IRS contracts involves significant judgement and requires careful assessment. We considered this as a key audit matter as there is complexity and subjectivity involved in determining the valuation of the derivatives as well as testing of hedge effectiveness.	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 consolidated financial statements. - Involved KPMG specialists to perform independent valuation of the derivatives and compared the result with the valuation used by management and evaluated any variances noted. - Tested the accuracy of the particulars of derivatives selected for independent valuation by KPMG specialist by tracing the details to the relevant derivative agreements. - For hedge terminations and discontinuations: - Inquired of management as to any changes in the risk management strategy or reasons for hedge discontinuation. - Inspected documentation for derivative settlements, including correspondence with lenders and other relevant supporting documentation. - Assessed the Group's compliance with the hedge accounting requirements under applicable financial reporting framework. For instances of hedge discontinuation, evaluated the management's rationale for cessation and the resulting impact on accounting and disclosures. - Inspected hedge documentation for a sample of hedge arrangements and performed the following procedures: - Involved KPMG specialists to evaluate the hedge effectiveness assessment performed by the Group. - 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 fair values of derivatives and hedge accounting.

Independent Auditor's Report

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

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 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, are 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.

Independent Auditor's Report

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

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

- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 Company



Dr. Abdullah Hamad Al Fozan
License No 348

Riyadh on 04 March 2026
Corresponding to: Ramadan 15, 1447

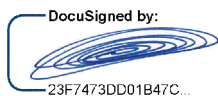


ACWA POWER Company

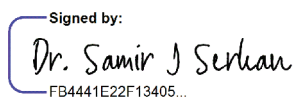
(Saudi Listed Joint Stock Company)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION(All amounts in S thousands unless otherwise stated)

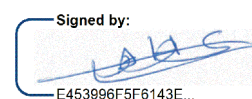
	<i>Note</i>	As of 31 Dec 2025	As of 31 Dec 2024
<u>ASSETS</u>			
Non-current assets			
Property, plant and equipment	5	16,407,155	12,060,529
Intangible assets and goodwill	6	2,509,907	2,012,361
Equity accounted investees	7	22,690,118	18,939,892
Net investment in finance lease	8	10,739,577	10,796,838
Deferred tax asset	21.4	364,015	238,994
Fair value of derivatives	22	404,334	1,049,018
Other assets	9	572,263	400,917
Total non-current assets		<u>53,687,369</u>	<u>45,498,549</u>
Current assets			
Inventories	10	767,162	581,526
Net investment in finance lease	8	387,523	328,163
Fair value of derivatives	22	79,203	305,693
Due from related parties	23	3,117,125	1,952,226
Accounts receivable, prepayments and other receivables	11	3,856,214	4,132,754
Short term investments	13	106,000	280,800
Cash and cash equivalents	12	8,057,630	3,802,995
Total current assets		<u>16,370,857</u>	<u>11,384,157</u>
Total assets		<u>70,058,226</u>	<u>56,882,706</u>

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Chairman B.O.D.

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CEO

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The attached notes 1 to 41 form an integral part of these consolidated financial statements.

ACWA POWER Company

(Saudi Listed Joint Stock Company)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

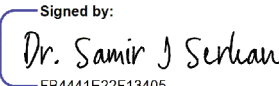
(All amounts in S thousands unless otherwise stated)

	<u>Note</u>	<u>As of</u> <u>31 Dec 2025</u>	<u>As of</u> <u>31 Dec 2024</u>
<u>EQUITY AND LIABILITIES</u>			
Equity			
Shareholders' equity			
Share capital	14.1	7,664,905	7,325,619
Share premium		11,874,971	5,159,039
Treasury shares		(211,927)	(106,620)
Statutory reserve		1,399,866	1,214,643
Retained earnings		6,553,917	4,872,289
Equity attributable to owners of the Company before other reserves		27,281,732	18,464,970
Other reserves	14.5	1,743,030	3,394,115
Equity attributable to owners of the Company		29,024,762	21,859,085
Non-controlling interest	15	2,626,520	2,447,127
Total equity		31,651,282	24,306,212
Liabilities			
Non-current liabilities			
Long-term financing and funding facilities	16	28,442,759	24,206,926
Due to related parties	23	926,134	889,902
Deferred tax liability	21.4	226,053	167,282
Obligation for equity accounted investees	7	445,382	238,013
Fair value of derivatives	22	71,786	109,709
Deferred revenue	18	172,956	170,066
Employee end of service benefits' liabilities	17	329,266	252,741
Other liabilities	24	588,965	632,430
Total non-current liabilities		31,203,301	26,667,069
Current liabilities			
Accounts payable, accruals and other financial liabilities	19	4,633,852	3,501,255
Short-term financing facilities	20	328,927	317,054
Current portion of long-term financing and funding facilities	16	1,875,778	1,751,045
Due to related parties	23	98,991	79,750
Fair value of derivatives	22	12,807	72,044
Zakat and taxation	21.3	253,288	188,277
Total current liabilities		7,203,643	5,909,425
Total liabilities		38,406,944	32,576,494
Total equity and liabilities		70,058,226	56,882,706

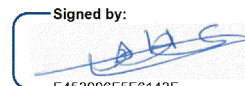
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The attached notes 1 to 41 form an integral part of these consolidated financial statements.

ACWA POWER Company
(Saudi Listed Joint Stock Company)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(All amounts in ﷲ thousands unless otherwise stated)

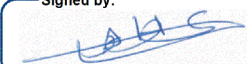
	<u>Note</u>	<u>For the year ended 31 December</u>	
		<u>2025</u>	<u>2024</u>
Revenue	25	7,413,501	6,297,298
Operating costs	26	(3,648,933)	(2,966,708)
Gross profit		3,764,568	3,330,590
Development cost, provisions and write offs, net of reversals	11.3	(147,070)	(222,844)
General and administration expenses	27	(1,780,121)	(1,750,235)
Share in net results of equity accounted investees, net of zakat and tax	7.1	454,780	694,163
Gain from partial divestments	34.4	-	401,701
Other operating income	28	1,301,748	529,615
Operating income before impairment loss and other expenses		3,593,905	2,982,990
Impairment (loss) / reversal, net	30.1	(404,387)	91,073
Other operating expenses, net	30.2	(36,331)	(62,162)
Operating income after impairment loss and other expenses		3,153,187	3,011,901
Other income, net	29	82,248	47,801
Finance income		372,198	317,271
Exchange gain / (loss), net	31	82,705	(560)
Financial charges	32	(1,472,214)	(1,329,618)
Profit before zakat and income tax		2,218,124	2,046,795
Zakat and tax charge	21.1	(157,520)	(58,959)
Profit for the year		2,060,604	1,987,836
Profit attributable to:			
Equity holders of the parent		1,852,225	1,757,057
Non-controlling interests		208,379	230,779
		2,060,604	1,987,836
Basic earnings per share to equity holders of the parent (ﷲ) - restated			
	33.2	2.47	2.38
Diluted earnings per share to equity holders of the parent (ﷲ) - restated			
	33.2	2.47	2.38

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ACWA POWER Company

(Saudi Listed Joint Stock Company)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(All amounts in S thousands unless otherwise stated)

	<u>Note</u>	<u>For the year ended 31 December</u>	
		<u>2025</u>	<u>2024</u>
Profit for the year		2,060,604	1,987,836
<u>Other comprehensive income</u>			
Items that are or may be reclassified subsequently to profit or loss			
Foreign operations – foreign currency translation differences		(25,330)	24,269
Change in fair value of cash flow hedge reserve net of settlements and NCI share	14.5	(422,809)	535,949
Settlement of cash flow hedges transferred to profit or loss		(28,276)	166,199
Cash flow hedge reserve recycled to profit or loss upon termination of hedge relationships	14.5, 32.2	(284,022)	(15,491)
Cash flow hedge reserve recycled to profit or loss on loss of control of a subsidiary		(36,185)	(508,538)
Equity accounted investees – share of OCI	14.5, 7.1	(1,260,716)	1,092,029
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit liability	17.1	12,398	(10,223)
Total other comprehensive (loss) / income		(2,044,940)	1,284,194
Total comprehensive income		15,664	3,272,030
Total comprehensive income attributable to:			
Equity holders of the parent		164,725	3,021,854
Non-controlling interests		(149,061)	250,176
		15,664	3,272,030

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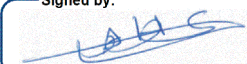
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ACWA POWER Company
(Saudi Listed Joint Stock Company)

CONSOLIDATED STATEMENT OF CASH FLOWS

(All amounts in S thousands unless otherwise stated)

	<i>Note</i>	For the year ended 31 December	
		2025	2024
Cash flows from operating activities			
Profit before zakat and tax		2,218,124	2,046,795
<i>Adjustments for:</i>			
Depreciation and amortisation	5.3, 6.2	614,126	522,958
Financial charges	32	1,756,236	1,345,109
Unrealised exchange (gain) / loss	31	(86,317)	3,302
Share in net results of equity accounted investees, net of zakat and tax	7.1	(454,780)	(694,163)
Charge for employees' end of service benefits	17.1	118,816	71,119
Fair value of cash flow hedges recycled to profit or loss		-	(157,124)
Provisions		(53,143)	156,787
Provision for long-term incentive plan	24.2, 27	67,342	82,302
Gain on disposal of property, plant and equipment		(42,188)	(10,172)
Gain on discontinuation of hedging instruments	32	(284,022)	(15,491)
Impairment loss in relation to property, plant and equipment and finance lease	30.1	404,387	(91,073)
Gain recognised on loss of control in a subsidiary		-	(401,701)
Development cost, provision and write offs, net of reversals	11.3	147,070	222,844
Finance income from shareholder loans and deposits		(635,054)	(517,005)
		3,770,597	2,564,487
<i>Changes in operating assets and liabilities:</i>			
Accounts receivable, prepayments and other receivables		(677,490)	(434,602)
Inventories		(140,637)	(109,891)
Accounts payable, accruals and other liabilities		694,457	853,185
Due from related parties		(343,542)	(13,424)
Due to related parties		19,699	(5,748)
Net investment in finance lease		369,004	723,868
Deferred revenue		2,890	30,320
Net cash from operations		3,694,978	3,608,195
Payment of employees' end of service benefits and long-term incentive	17.1, 24.2	(47,994)	(58,501)
Zakat and tax paid	21.3	(171,995)	(152,611)
Dividends received from equity accounted investees	7.1	1,005,567	171,235
<i>Net cash generated from operating activities</i>		4,480,556	3,568,318
Cash flows from investing activities			
Addition to property, plant and equipment, and intangible assets		(4,367,035)	(3,286,935)
Receipts / (funding) in relation to construction activities		747,591	(1,087,192)
Proceeds on disposal of property, plant and equipment		74,967	16,069
Investments in equity accounted investees		(4,984,184)	(1,406,165)
Finance income from deposits		372,198	317,271
Short-term deposits with original maturities of more than three months	13	174,800	936,991
Cash consolidated / deconsolidated on acquisition / loss of control, net		(274,973)	(313,050)
Acquisition of subsidiary net of cash received	34.1, 34.2	(446,860)	(44,761)
<i>Net cash outflow from investing activities</i>		(8,703,496)	(4,867,772)

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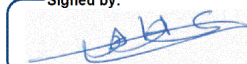
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ACWA POWER Company

(Saudi Listed Joint Stock Company)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

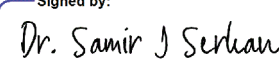
(All amounts in S thousands unless otherwise stated)

		For the year ended	
	Note	31 December	
		2025	2024
Cash flows from financing activities			
Proceeds from financing and funding facilities, net of transaction cost		6,291,283	2,283,772
Repayment of financing and funding facilities		(3,201,105)	(1,146,982)
Proceeds on partial disposal of subsidiary without loss of control	15.2	167	835,121
Purchase of treasury shares	14.4.2	(132,597)	(118,000)
Proceeds from termination of hedge instruments		283,840	343,423
Financial charges paid		(1,690,380)	(1,294,388)
Dividends paid	14.3	(120,652)	(450,307)
Capital contributions from and other adjustments to non-controlling interest		90,353	11,443
Payments against debt buyout for project company		(128,256)	(94,783)
Proceeds from right issuance		7,125,000	-
Transaction cost on right issuance		(26,186)	-
Net cash increase from financing activities		8,491,467	369,299
Net increase / (decrease) in cash and cash equivalents during the year		4,268,527	(930,155)
Cash and cash equivalents at beginning of the year		3,802,995	4,740,941
Net foreign exchange difference		(13,892)	(7,791)
Cash and cash equivalents at end of the year	12	8,057,630	3,802,995

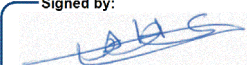
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The attached notes 1 to 41 form an integral part of these consolidated financial statements.

ACWA POWER Company
(Saudi Listed Joint Stock Company)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amounts in # thousands unless otherwise stated)

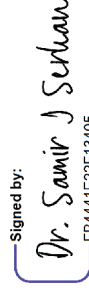
	Share capital	Share premium	Treasury shares	Statutory reserve	Retained earnings	Proposed dividends	Other Reserves (note 14.5)	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at 1 January 2024	7,310,997	5,159,039	-	1,038,937	3,247,401	328,995	2,072,589	19,157,958	1,550,933	20,708,891
Profit for the year	-	-	-	-	1,757,057	-	-	1,757,057	230,779	1,987,836
Other comprehensive income	-	-	-	-	-	-	1,264,797	1,264,797	19,397	1,284,194
Total comprehensive income	-	-	-	-	1,757,057	-	1,264,797	3,021,854	250,176	3,272,030
Changes to non-controlling interests	-	-	-	-	-	-	-	-	11,443	11,443
Bonus share issued (note 14.4.3)	14,622	-	-	-	(14,622)	-	-	-	-	-
Purchase of treasury share (note 14.4.2)	-	-	(118,000)	-	-	-	-	(118,000)	-	(118,000)
Dividends (note 14.3)	-	-	-	-	-	(328,995)	-	(328,995)	(121,312)	(450,307)
Share-based payment transactions (note 14.5)	-	-	-	-	-	-	80,958	80,958	-	80,958
Settlement of treasury shares (note 14.5)	-	-	11,380	-	6,904	-	(18,284)	-	-	-
Divestment in subsidiary without loss of control (note 15.2)	-	-	-	-	51,255	-	(5,945)	45,310	755,887	801,197
Transfer to statutory reserve	-	-	-	175,706	(175,706)	-	-	-	-	-
Balance at 31 December 2024	7,325,619	5,159,039	(106,620)	1,214,643	4,872,289	-	3,394,115	21,859,085	2,447,127	24,306,212
Balance at 1 January 2025	7,325,619	5,159,039	(106,620)	1,214,643	4,872,289	-	3,394,115	21,859,085	2,447,127	24,306,212
Profit for the year	-	-	-	-	1,852,225	-	(1,687,499)	1,852,225	208,379	2,060,604
Other comprehensive loss	-	-	-	-	-	-	-	(1,687,499)	(357,441)	(2,044,940)
Total comprehensive income / (loss)	-	-	-	-	1,852,225	-	(1,687,499)	164,726	(149,062)	15,664
Dividends (note 14.3)	-	-	-	-	-	-	-	-	(120,652)	(120,652)
Increase in share capital / rights issuance (note 14.4.1)	-	6,785,714	-	-	-	-	-	7,125,000	-	7,125,000
Transaction with non-controlling interests	-	(69,782)	-	-	-	-	-	(72,299)	452,151	452,151
Transaction cost	-	-	(2,517)	-	-	-	-	(132,597)	-	(132,597)
Purchase of treasury shares (note 14.4.2)	-	-	(132,597)	-	-	-	-	-	-	-
Treasury shares vested during the year	-	-	29,807	-	10,348	-	(40,155)	-	-	-
Transfer to statutory reserves	-	-	-	185,223	(185,223)	-	-	-	-	-
Share-based payment transactions (note 24.2)	-	-	-	-	-	-	76,569	76,569	-	76,569
Divestment in subsidiary without loss of control	-	-	-	-	4,278	-	-	4,278	(3,044)	1,234
Balance at 31 December 2025	7,664,905	11,874,971	(211,927)	1,399,866	6,553,917	-	1,743,030	29,024,762	2,626,520	31,651,282

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Chairman B.O.D.

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CEO

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The attached notes 1 to 41 form an integral part of these consolidated financial statements.

ACWA POWER Company

(Saudi Listed Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ﷲ thousands unless otherwise stated)

1 ACTIVITIES

ACWA POWER Company (the “Company” or “ACWA” or the “Group” or the “Parent”) 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. Shortly after its establishment in 2008, ACWA POWER acquired ACWA Power Projects (APP), which had been active since 2004.

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. Additionally, the group also has short-term offtaker contracts in certain jurisdictions internationally.

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

<u>Entity name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Direct shareholding</u>	
			<u>2025</u>	<u>2024</u>
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%
Nasamat for Energy Company (Formerly AIICO)	Kingdom of Saudi Arabia	Power generation, water desalination and distribution or other business related to or ancillary thereto.	100.00%	100.00%

ACWA POWER Company
(Saudi Listed Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts in ~~£~~ thousands unless otherwise stated)

1 ACTIVITIES (CONTINUED)

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:

<u>Entity name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Effective shareholding</u>	
			<u>2025</u>	<u>2024</u>
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.	69.00%	69.00%
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%	100.00%
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%

ACWA POWER Company
(Saudi Listed Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts in ~~ﷲ~~ thousands unless otherwise stated)

1 ACTIVITIES (CONTINUED)

<u>Entity name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Effective shareholding</u>	
			<u>2025</u>	<u>2024</u>
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 (" NOMAC Maroc ")	Kingdom of Morocco	Operation and maintenance of power projects in the Kingdom of Morocco.	100.00%	100.00%
NOMAC Gulf O&M LLC (" NOMAC Gulf ")	United Arab Emirates	Operation and maintenance of power projects in the United Arab Emirates.	100.00%	100.00%
NOMAC Gulf Coal Energy LLC (" NOMAC Gulf Coal ")	United Arab Emirates	Operation and maintenance of the Hassyan Coal Project in the United Arab Emirates.	100.00%	100.00%
Oasis Power and Water General Trading Company (" OASIS ")	United Arab Emirates	Power generation, water desalination and distribution or other business related to or ancillary thereto.	100.00%	100.00%

Information of the Group's equity accounted investees is included in note 7 of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts in ﷲ thousands unless otherwise stated)

2 BASIS OF PREPARATION AND CONSOLIDATION

These consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”); and IFRS issued by IASB as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements as issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”), (collectively referred as “IFRS as endorsed in KSA”). The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

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 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 (“ﷲ”) which is the functional and presentation currency of the Company. All values are rounded to the nearest thousand (“ﷲ”), 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 including Board and shareholders reserve matters 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts in ﷲ thousands unless otherwise stated)

2 BASIS OF PREPARATION AND CONSOLIDATION (CONTINUED)

2.2 Basis of consolidation (continued)

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

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

Consistent accounting policies are used across the Group and if required, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

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

Changes in ownership interest in subsidiaries

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

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts in ~~£~~ thousands unless otherwise stated)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Classification

The Group classifies its financial assets under the following categories:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVTOCI); and
- Amortised cost.

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

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

For assets measured at fair value, gains and losses will either be recorded in 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts in ﷲ thousands unless otherwise stated)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Offsetting of financial instruments

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

Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured for any changes in their fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from the changes in the fair value of derivatives are taken directly to the consolidated statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in the consolidated statement of other comprehensive income and later reclassified to the consolidated statement of profit or loss when the hedged item affects profit or loss.

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

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

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

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

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

Accounts receivable

After initial recognition, accounts receivable 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts in ~~£~~ thousands unless otherwise stated)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts in ﷲ thousands unless otherwise stated)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Investments in associates and joint ventures – equity accounted investees (continued)

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts in ~~£~~ thousands unless otherwise stated)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Business combinations (continued)

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

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

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

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

Non-current assets held for sale and discontinued operations

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

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

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

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and which:

- represents a separate major line of business or geographical area of operations;
- is a part of single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resell.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts in ~~ﷲ~~ thousands unless otherwise stated)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment

Financial assets

The Group recognised loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at fair value through profit or loss (FVTPL):

- 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.

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

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

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of default (PD)
- Loss given default (LGD)
- Exposure at default (EAD)

The Group categorise its financial lease receivable 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts in ﷲ thousands unless otherwise stated)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment (continued)

Financial assets (continued)

ECL represent probability-weighted estimates of credit losses. These are measured as follows:

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

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

Non-financial assets

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

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

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

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

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

Accounts payable and accruals

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

Statutory reserve

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts in ~~ﷲ~~ thousands unless otherwise stated)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

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.

As part of its business development activities, the Group enters into arrangements to facilitate procurement-related services for its development assets. In these arrangements, the Group does not obtain control of the underlying goods or assume any related warranty, performance, or delivery obligations. Accordingly, the Group acts as an agent in accordance with IFRS 15, and revenue is recognised on a net basis, representing only the fee or margin earned for providing such facilitation services. Revenue is recognised at a point in time, when the Group fulfils its performance obligations by completing clearly identifiable service milestones that evidence the transfer of control of the related services to the customer.

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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts in ﷲ thousands unless otherwise stated)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

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 over time or at a point in time with the satisfaction of performance obligations in the related contract.

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 and project 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 using output method or at a point in time 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts in ﷲ thousands unless otherwise stated)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Zakat and taxation (continued)

Deferred tax (continued)

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

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

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

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

Foreign currencies

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

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

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

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

Value added tax ("VAT")

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

Dividends

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

Earnings per share

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts in ﷲ thousands unless otherwise stated)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

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 has applied the following standards and amendments, where applicable, for the first time for their annual reporting period commencing 1 January 2025.

Amendment to IAS 21-Lack of exchangeability

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose.

The adoption of above amendment does not have any material impact on the Consolidated Financial Statements during the year.

Standards issued but not yet effective

Following are the new standards and amendments to standards which are effective for annual periods beginning on or after 1 January 2026 and earlier application is permitted for certain new standards and amendments; however, the Group has not early adopted them in preparing these Consolidated Financial Statements. The Group is currently evaluating the impact of the adoption of these standards on the Consolidated Financial Statements.

Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments

These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

IFRS 18 – Presentation and Disclosure in Financial Instruments

This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts in ﷲ thousands unless otherwise stated)

4 USE OF ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

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

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

(i) Impairment of property, plant and equipment and equity accounted investees

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 of underlying assets including cash inflows from operation and maintenance ("O&M") to the Group. 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.

The group continues to monitor impact of climate changes on its operating assets including property, plant and equipment and its equity accounted investees, including in its assessment of residual value risk and impairment assessments. The Group has a mix of renewable and thermal assets and currently no material impact is expected to emanate due to climate change considerations.

(ii) Impairment of goodwill

The management monitors Goodwill at an operating segment level i.e., at group of cash generating units ("CGUs") included within an operating segment. The performance of an individual asset is assessed based on total returns (i.e. returns associated with investment, development, operation and optimisation) which is usually spread across various CGUs within an operating segment. Accordingly, for the purpose of impairment testing, the management believe that it is more appropriate to consider total cash flows that are relevant for operating segments (i.e., group of CGUs). For the purpose of impairment testing, cash flow projections are used from the approved financial models including cash inflows from operation and maintenance ("O&M") to the Group. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts in ﷲ thousands unless otherwise stated)

4 USE OF ESTIMATES, JUDGEMENTS AND ASSUMPTIONS (CONTINUED)

(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 fulfillment of the arrangement is dependent on the use of a specific asset or assets, or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement. Where an arrangement is determined to contain a lease, the arrangement is accounted for as either an operating or a finance lease.

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

- The Power and Water Purchase Agreements ("PPA" or "WPA" or "PWPA") are not from public-to-private and the Group does not have any direct responsibility towards the public, and accordingly management believes that this should not be accounted for as "Service Concession Arrangements".
- The price that the 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 lease as a finance or operating lease.

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(All amounts in ﷲ thousands unless otherwise stated)

4 USE OF ESTIMATES, JUDGEMENTS AND ASSUMPTIONS (CONTINUED)

(vii) Lease classification and subsequent remeasurement (continued)

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

(x) Control Assessment

The consolidated financial statements of the Group are prepared under IFRS 10, including all subsidiaries controlled by the Group. Management assesses its control over underlying investee and conclude that control exists when the Group:

- Has power over the investee,
- Is exposed to variable returns, and
- Can influence returns through its power.

The assessment considers voting rights, contractual arrangements, and decision-making authority. Changes in control, including acquisitions or disposals, are reflected in the financial statements.

In certain circumstances, despite owning more than 50% of the voting rights or equity interests in an investee, the Group may not consolidate the investee. This occurs when the definition of control under IFRS 10 is not met due to specific joint ownership structures or contractual arrangements between the partners. When such joint ownership or contractual arrangements prevent the Group from having full control, the investee is accounted for using the equity method rather than consolidation.

Conversely, in certain circumstances, the Group may have control over an entity even if it holds less than 50% of the voting rights. Such control may be considered de facto control, where the Group has the power to direct the relevant activities of an investee and the ability to affect its returns, even though it does not hold a majority of voting rights.

The determination of control is made on an investee-by-investee basis, and the results of this assessment are reviewed regularly to ensure that the Group maintains an appropriate level of control for consolidation purposes.

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5 PROPERTY, PLANT AND EQUIPMENT

The following rates are used for calculation of depreciation:

Buildings	2% - 7%	Plant, machinery and equipment	2.9% - 25%
Furniture, fixtures and office equipment	10% - 33.3%	Motor vehicles	20% - 25%
Capital spares	3.3% - 12.5%		

	Land and Buildings *	Plant, machinery, and equipment**	Furniture, fixtures, and office equipment	Capital Spares	Motor Vehicles	Capital work in progress (CWIP)	Total
<u>Cost:</u>							
At 1 January 2025	929,437	15,703,430	143,333	84,271	41,662	1,949,482	18,851,615
Additions (note 5.2)	4,336	1,379,300	23,100	33,961	8,449	2,713,107	4,162,253
Acquisitions (note 34)	24,390	1,238,016	6,721	7,505	234	-	1,276,866
Disposals (note 9.3)	(477,836)	(1,516,469)	(11,155)	(3,594)	(5,453)	-	(2,014,507)
De-recognition on loss of control of subsidiaries	-	-	-	-	(820)	(398,930)	(399,750)
Foreign currency translation	642	41,919	64	904	314	7,695	51,538
At 31 December 2025	480,969	16,846,196	162,063	123,047	44,386	4,271,354	21,928,015
<u>Accumulated depreciation and impairment</u>							
At 1 January 2025	567,829	6,002,574	127,790	55,853	37,040	-	6,791,086
Depreciation charge for the year (note 5.3)	24,110	498,691	21,038	12,533	4,233	-	560,605
Acquisition	1,419	35,506	4,881	5,376	198	-	47,380
Impairment (note 30.1)	-	-	-	-	-	127,024	127,024
Relating to disposals	(477,661)	(1,515,930)	(8,520)	-	(5,117)	-	(2,007,228)
Foreign currency translation	(24)	1,254	(139)	699	203	-	1,993
At 31 December 2025	115,673	5,022,095	145,050	74,461	36,557	127,024	5,520,860
Carrying amount as of 31 December 2025	365,296	11,824,101	17,013	48,586	7,829	4,144,330	16,407,155

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(All amounts in ﷲ thousands unless otherwise stated)

5 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land and Buildings *	Plant, machinery and equipment**	Furniture, fixtures and office equipment	Capital spares	Motor vehicles	Capital work in progress (CWIP)	Total
<u>Cost:</u>							
At 1 January 2024	915,845	14,544,681	124,642	71,899	41,584	977,329	16,675,980
Additions (note 5.2, 34)	16,218	1,188,795	20,855	14,980	1,370	2,374,020	3,616,238
Adjustment for revision of asset retirement obligation	-	(28,168)	-	-	-	-	(28,168)
Disposals	(2,438)	(1,799)	(1,030)	(2,430)	(1,050)	-	(8,747)
De-recognition on loss of control of a subsidiary (note 34.4)	-	-	-	-	-	(1,393,299)	(1,393,299)
Foreign currency translation	(188)	(79)	(1,134)	(178)	(242)	(8,568)	(10,389)
At 31 December 2024	929,437	15,703,430	143,333	84,271	41,662	1,949,482	18,851,615
<u>Accumulated depreciation and impairment</u>							
At 1 January 2024	539,231	5,852,387	112,864	46,217	35,037	-	6,585,736
Depreciation charge for the year (note 5.3)	28,770	432,962	16,389	10,952	3,209	-	492,282
Impairment reversal (note 30.1)	-	(282,735)	-	-	-	-	(282,735)
Relating to disposals	-	-	(616)	(1,184)	(1,052)	-	(2,852)
Foreign currency translation	(172)	(40)	(847)	(132)	(154)	-	(1,345)
At 31 December 2024	567,829	6,002,574	127,790	55,853	37,040	-	6,791,086
Carrying amount as of 31 December 2024	361,608	9,700,856	15,543	28,418	4,622	1,949,482	12,060,529

* Cost of land as of 31 December 2025 amounts to ﷲ 142 million (31 December 2024: ﷲ 130.5 million).

** This primarily represents property, plant and equipment under the operating lease arrangements of the Group entities.

5.1 CWIP as of 31 December 2025 and 31 December 2024 primarily relates to certain of the Group's under construction projects in Egypt, Uzbekistan, and Azerbaijan.

5.2 Borrowing costs capitalised during the year amounted to ﷲ 118.2 million (2024: ﷲ 91.4 million) which represents the borrowing cost incurred during construction phase of qualifying assets.

5.3 Depreciation reflected in profit or loss is as follows:

	2025	2024
Depreciation charge for the year ended 31 December	560,605	492,282
Depreciation charge in relation to right of use asset	26,706	21,680
Depreciation charge for the year ended 31 December – (refer note 26 & 27)	587,311	513,962

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6 INTANGIBLE ASSETS AND GOODWILL

	<i>Note</i>	As of 31 Dec 2025	As of 31 Dec 2024
Goodwill	6.1	1,887,227	1,887,227
Other intangible assets	6.2		
- Customer contracts	34.2	297,800	-
- Computer software and licenses		141,572	46,861
- Others*		183,308	78,273
		<u>2,509,907</u>	<u>2,012,361</u>

*This includes intellectual property amounting to ﷲ 168.7 million.

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. This goodwill is allocated to the Group's operating segments, as follows, for the purpose of impairment testing:

	As of 31 Dec 2025	As of 31 Dec 2024
Thermal and water desalination	734,015	734,015
Renewables	1,153,212	1,153,212
	<u>1,887,227</u>	<u>1,887,227</u>

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-off, 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 7.99% (31 December 2024: 7.70%). 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.

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6 INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

6.2 Other intangible assets movement is as follows:

	<u>2025</u>	<u>2024</u>
<i><u>Cost:</u></i>		
At 1 January	221,717	219,434
Additions	226,561	2,283
Acquisition – including customer contracts (refer to note 34.2)	297,800	-
At 31 December	<u>746,078</u>	<u>221,717</u>
	<u>2025</u>	<u>2024</u>
<i><u>Accumulated amortisation:</u></i>		
At 1 January	96,583	87,587
Amortisation charge for the year (refer to note 27)	26,815	8,996
At 31 December	<u>123,398</u>	<u>96,583</u>
Carrying amount as of 31 December	<u>622,680</u>	<u>125,134</u>

Computer software and licenses are amortised at the rate of 25% - 33.33% per annum; whereas other intangibles including customer contracts are amortised over the period of the contract.

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7 EQUITY ACCOUNTED INVESTEEES

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 2025								
SGA/NOVA SGA Marafiq Holdings	33.30%	Bahrain / UAE	552,242	* (32,212)	24,010	-	(19,000)	525,040
Saudi Malaysian Water and Electricity Company Limited	50.00%	Saudi Arabia	1,165,642	-	37,577	(104,156)	(5,828)	1,093,235
Suez Nomac O&M Holdings Company W.L.L.	40.00%	Bahrain	27,174	-	327	(11,175)	-	16,326
Jubail Operations Holdings Company W.L.L.	40.00%	Bahrain	27,208	-	332	(11,100)	-	16,440
Qurayyah Investment Company	50.00%	Saudi Arabia	602,257	-	32,290	(3,750)	(24,199)	606,598
Rabigh Electricity Company	40.00%	Saudi Arabia	500,957	-	2,990	-	(11,343)	492,604
Al Mourjan for Electricity Production Company	50.00%	Saudi Arabia	515,857	-	(41,794)	-	(4,341)	469,722
Dhofar Generating Company	27.00%	UAE	103,080	-	1,179	-	(3,410)	100,849
Hassyan Energy Phase 1 P.S.C	27.00%	UAE	1,951,441	-	434,638	(783,765)	(184,324)	1,417,990
MAP Inland Holdings Ltd. (JAFZA)	47.30%	UAE	549,405	** 11,800	(13,480)	-	(15,259)	532,466
MAP Coastal Holding Company Limited (JAFZA)	47.30%	UAE	433,214	** 10,167	7,929	-	(15,942)	435,368
Haya Power & Desalination Company B.S.C	60.00%	Bahrain	697,512	-	4,244	-	(47,528)	654,228
Noor Energy 1 P.S.C.	25.00%	UAE	341,652	** 1,456,441	(295,862)	-	58,854	1,561,085
Taweelah RO Desalination Company LLC	40.00%	UAE	211,838	-	(1,873)	-	(25,287)	184,678
Naqa'a Desalination Plant LLC	40.00%	UAE	479,338	* (5,929)	28,970	(32,365)	(22,837)	447,177
ACWA Power Renewable Energy Holding Ltd (refer note 7.2.1)	51.00%	UAE	432,922	-	(11,504)	(21,994)	(5,697)	393,727
Shams Ad-Dhahira Generating Company SAOC	50.00%	Oman	250,732	-	(5,967)	-	(14,100)	230,665
Dhofar O&M Company LLC	35.00%	Oman	1,342	(1)	1,110	(1,166)	-	1,285
Shuaa Energy 3 P.S.C.	24.00%	UAE	56,518	* (1,195)	(8,345)	-	21,185	68,163
Water consortium Holding Company	40.00%	Saudi Arabia	330,611	-	(8,890)	-	(28,691)	293,030
ACWA Power Solarreserve Redstone Solar TPP	36.00%	South Africa	366,439	** 37,297	(49,841)	-	(43,412)	310,483
Sudair one Holding Company	35.00%	Saudi Arabia	208,987	** 323,808	(17,784)	-	(14,437)	500,574
Renewable Energy for Morocco	49.00%	Morocco	2,120	684	496	-	87	3,387
ACWA GUC Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S.	73.00%	Turkey	863,874	18,750	(64,177)	-	(13,056)	805,391
Jazan Integrated Gasification and Power Company	25.00%	Saudi Arabia	4,818,741	* (75,865)	391,202	-	(29,271)	5,104,807
Amwaj International Co. Ltd	50.10%	Saudi Arabia	257,393	** 50	(29,901)	-	(44,766)	182,776
Veolia First National Water Service Co	35.00%	Oman	956	-	1,524	-	-	2,480
Shuqaiq Services Company for Maintenance	68.00%	Saudi Arabia	144,690	-	12,010	(27,717)	(3,316)	125,667
NEOM Green Hydrogen Co. Ltd (refer note 7.1.1 & note 7.1.5)	33.30%	Saudi Arabia	2,287,959	** 456,640	(29,222)	-	(68,333)	2,647,044
Dhafra Water Desalination Company	47.50%	Saudi Arabia	5,668	-	12,618	-	(13,234)	5,052
ACWA Power Uzbekistan Project Holding Co	51.00%	Uzbekistan	523,297	-	(48,899)	-	(69,232)	405,166
Oasis Joint Holding Company	67.00%	Saudi Arabia	22,853	** 287,186	(16,431)	-	(8,705)	284,903
Ishaa holding company	50.10%	Saudi Arabia	(44,664)	** 586,498	46,580	-	(13,685)	574,729
Saad 2 holding company	50.10%	Saudi Arabia	(37,531)	** 467,119	8,443	-	(7,943)	430,088
ACWA Power Uzbekistan Wind Project Holding Company (Dzhankeldy)	65.00%	Uzbekistan	31,209	-	28,999	-	(56,302)	3,906

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7 EQUITY ACCOUNTED INVESTEEES (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 2025								
Burairq Holding Company	35.10%	Saudi Arabia	56,222	-	(54)	-	(9,693)	46,475
Moya Holding Company	35.10%	Saudi Arabia	54,574	-	(55)	-	(8,815)	45,704
Nabah Holding Company	35.10%	Saudi Arabia	42,801	-	-	-	(6,924)	35,877
PT Indo ACWA Tenaga Saguling	49.00%	Indonesia	-	** 14,337	(194)	-	995	15,138
PT Indo ACWA Tenaga Singkarak	49.00%	Indonesia	-	** 2,475	-	-	-	2,475
Mourjan Two Holding Company	40.00%	Saudi Arabia	-	** 4	-	-	-	4
Hajar One Holding Company	40.00%	Saudi Arabia	-	* (17,996)	(119)	-	41,831	23,716
AZN O&M Company WLL (refer note 34)	50.00%	Kuwait	-	** 383,952	-	-	-	383,952
Azour North One KSC Holding Co (refer note 34)	43.75%	Kuwait	-	** 232,229	-	-	-	232,229
Al Dur Holding Company (refer note 34)	45.00%	Bahrain	-	** 376,792	5,754	-	-	382,546
Al Ezzel Power Co BSC (refer note 34)	45.00%	Bahrain	-	** 180,968	1,790	-	-	182,758
Hidd Power Co BSC (refer note 34)	30.00%	Bahrain	-	** 244,019	2,017	-	-	246,036
ACWA Power Solar Project Holding Company	51.00%	Uzbekistan	-	** 48	(115)	-	7,935	7,868
Sazagan Solar 2 Holding Company	51.00%	Uzbekistan	-	** 67	83	-	12,202	12,352
Remal Future Company	43.00%	Saudi Arabia	-	** 4	363	-	-	367
Naseem First Operation and Maintenance Company	43.00%	Saudi Arabia	-	** 4	363	-	-	367
Az-Zour Alkuwaiti Two and Three Holding WLL (refer note 34)	60.00%	Kuwait	-	** 145,125	-	-	-	145,125
Equity accounted investees			18,836,530	5,103,265	443,332	(997,188)	(695,821)	22,690,118

* These represents repayment of shareholder loan / other group level adjustments during the year ended 31 December 2025.

** These represents additional investment during the year ended 31 December 2025.

	% 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 2025								
Dhofar Desalination Co. SAOC	50.10%	Oman	6,248	-	(5,043)	-	(3,631)	(2,426)
Noor Al Shuaibah Holding Company	35.00%	Saudi Arabia	(35,617)	-	(71,627)	-	(5,335)	(112,579)
Wafra Holding Company	45.00%	Saudi Arabia	(42,647)	-	(76)	-	(3,561)	(46,284)
Nawwar holding company	50.10%	Saudi Arabia	(63,806)	-	56,708	-	(17,096)	(24,194)
Hassyan Water 1 Holding Company	20.40%	UAE	(13,748)	(2,250)	(257)	-	1,755	(14,500)
Qudra One Holding Company	40.00%	Saudi Arabia	945	200	(96)	-	(23,596)	(22,547)
Sidra One Holding Company	35.00%	Saudi Arabia	2,282	200	(96)	-	(23,824)	(21,438)
Remal First Holding Company	35.00%	Saudi Arabia	-	(6,559)	(107)	-	(22,865)	(29,531)
Naseem First Holding Company	50.10%	Saudi Arabia	-	(6,559)	(107)	-	(24,811)	(31,477)

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7 EQUITY ACCOUNTED INVESTEEES (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 2025								
Ishraq One Holding Company	35.10%	Saudi Arabia	-	(11,084)	-	-	(829)	(11,913)
Ishraq 2 Holding Company	35.10%	Saudi Arabia	-	(11,084)	-	-	(2,070)	(13,154)
Ishraq Bisha Holding Company	35.10%	Saudi Arabia	-	(17,321)	-	-	(3,082)	(20,403)
Ishraq Humaij Company	35.10%	Saudi Arabia	-	(17,321)	-	-	(1,535)	(18,856)
Ishraq Khulis Company	35.10%	Saudi Arabia	-	(11,084)	-	-	(2,722)	(13,806)
Starah Holding Company	35.10%	Saudi Arabia	-	(13,907)	(54)	-	(2,922)	(16,883)
Shaqra Winds Holding Company	35.10%	Saudi Arabia	-	(7,137)	(54)	-	(1,801)	(8,992)
Ras Moheisen First Holding Company	45.00%	Saudi Arabia	-	(15,181)	-	-	(4,959)	(20,140)
ACWA Power Bash Wind Project Holding Company	65.00%	Uzbekistan	11,692	-	32,305	-	(60,215)	(16,218)
Hajar Efficiency Expansion Company	51.00%	Saudi Arabia	-	5	(47)	-	-	(42)
Obligation for equity accounted investees			(134,651)	(119,082)	11,448	-	(203,098)	(445,382)
Net equity accounted investees			18,701,879	4,984,185	454,780	(997,188)	(898,920)	22,244,736

	% 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 2024								
SGA/NOVA SGA Marafiq Holdings	33.3%	Bahrain / UAE	566,879	* (33,956)	27,366	-	(8,047)	552,242
Saudi Malaysian Water and Electricity Company Limited	50.0%	Saudi Arabia	1,212,637	-	54,221	(96,223)	(4,993)	1,165,642
Suez Nomac O&M Holdings Company W.L.L.	40.0%	Bahrain	25,229	-	17,772	(15,827)	-	27,174
Jubail Operations Holdings Company W.L.L.	40.0%	Bahrain	25,258	-	17,777	(15,827)	-	27,208
Qurayyah Investment Company	45.0%	Saudi Arabia	605,882	-	9,907	(3,232)	(10,300)	602,257
Rabigh Electricity Company	40.0%	Saudi Arabia	569,676	-	(1,557)	(28,222)	(38,940)	500,957
Al Mourjan for Electricity Production Company	50.0%	Saudi Arabia	522,029	-	22,103	-	(28,275)	515,857
Dhofar Generating Company	27.0%	UAE	99,603	-	3,846	-	(369)	103,080
Hassyan Energy Phase 1 P.S.C	27.0%	UAE	1,846,128	** 34,793	39,503	-	31,017	1,951,441
MAP Inland Holdings Ltd. (JAFZA)	47.3%	UAE	565,059	** 11,635	(26,921)	-	(368)	549,405
MAP Coastal Holding Company Limited (JAFZA)	47.3%	UAE	458,624	** 10,002	(35,334)	-	(78)	433,214
Haya Power & Desalination Company B.S.C	60.0%	Bahrain	684,173	-	(324)	-	13,663	697,512
Noor Energy 1 P.S.C.	25.0%	UAE	419,695	-	(137,403)	-	59,360	341,652
Dhofar Desalination Co. SAOC	50.1%	Oman	58,518	-	(54,455)	-	2,185	6,248
Taweelah RO Desalination Company LLC	40.0%	UAE	187,623	-	52,404	-	(28,189)	211,838
Naqa'a Desalination Plant LLC	40.0%	UAE	427,033	-	26,076	-	26,229	479,338
ACWA Power Renewable Energy Holding Ltd (refer note 7.2.1)	51.0%	UAE	451,728	-	(2,626)	(6,807)	(9,373)	432,922
Shams Ad-Dhahira Generating Company SAOC	50.0%	Oman	255,147	-	(10,078)	-	5,663	250,732
Dhofar O&M Company LLC	35.0%	Oman	3,919	-	1,072	(3,649)	-	1,342
Shuaa Energy 3 P.S.C.	24.0%	UAE	52,574	**1,962	(4,805)	-	6,787	56,518

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7 EQUITY ACCOUNTED INVESTEEES (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 2024								
Renewable Energy for Morocco	49.0%	Morocco	1,009	**1,163	(52)	-	-	2,120
ACWA GUC Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ("ACWA GUC") (refer note 7.1.2)	73.0%	Turkey	-	** 438,380	456,039	-	(30,545)	863,874
Jazan Integrated Gasification and Power Company	25.00%	Saudi Arabia	4,685,436	*(222,231)	335,581	-	19,955	4,818,741
Amwaj International Co. Ltd	50.1%	Saudi Arabia	200,747	-	7,936	-	48,710	257,393
Veolia First National Water Service Co	35.0%	Oman	(531)	-	1,487	-	-	956
Shuqaiq Services Company for Maintenance	68.0%	Saudi Arabia	150,409	-	(5,848)	-	129	144,690
NEOM Green Hydrogen Co. Ltd (refer note 7.1.1)	33.3%	Saudi Arabia	959,111	**1,068,930	-	-	259,918	2,287,959
Dhafra Water Desalination Company	47.5%	Saudi Arabia	(57,184)	-	(17)	-	62,869	5,668
ACWA Power Uzbekistan Project Holding Co	51.0%	Uzbekistan	9,108	**508,193	(24,302)	-	30,298	523,297
Oasis Holding Company	66.7%	Saudi Arabia	8,322	*(957)	(13,103)	-	28,591	22,853
ACWA Power Uzbekistan Wind Project Holding Company (Dzhankeldy)	65.0%	Uzbekistan	-	**34,982	(1,510)	-	(2,263)	31,209
Water consortium Holding Company	40.0%	Saudi Arabia	333,016	-	(15,172)	-	12,767	330,611
ACWA Power Solarreserve Redstone Solar TPP	36.0%	South Africa	373,977	**8,565	(19,608)	-	3,505	366,439
Sudair one Holding Company	35.0%	Saudi Arabia	165,432	**38,142	3,396	-	2,017	208,987
ACWA Power Bash Wind Project Holding Company	65.0%	Uzbekistan	-	**13,960	826	-	(3,094)	11,692
Qudra One Holding Company	40.0%	Saudi Arabia	-	*(17,746)	(8)	-	18,699	945
Sidra One Holding Company	40.0%	Saudi Arabia	-	*(17,746)	(26)	-	20,054	2,282
Buraiq Holding Company	35.1%	Saudi Arabia	-	*(19,351)	(16)	-	75,589	56,222
Moya Holding Company	35.1%	Saudi Arabia	-	*(19,858)	(16)	-	74,448	54,574
Nabah Holding Company	35.1%	Saudi Arabia	-	*(16,612)	-	-	59,413	42,801
Equity accounted investees			15,866,266	1,822,250	724,131	(169,787)	697,032	18,939,892

* These represents repayment of shareholder loan / other group level adjustments during the year ended 31 December 2024.

** These represents additional investment during the year ended 31 December 2024.

	% 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 2024								
Noor Al Shuaibah Holding Company	35.0%	Saudi Arabia	(101,270)	-	(29,831)	-	95,484	(35,617)
Wafra Holding Company	45.0%	Saudi Arabia	(86,544)	(3,964)	(74)	-	47,935	(42,647)
Ishaa holding Company	50.1%	Saudi Arabia	(119,444)	(8,495)	-	-	83,275	(44,664)
Nawwar holding Company	50.1%	Saudi Arabia	(164,880)	(9,756)	-	-	110,830	(63,806)
Saad 2 holding Company	50.1%	Saudi Arabia	(93,276)	(6,618)	-	-	62,363	(37,531)
Hassyan Water 1 Holding Company	20.4%	UAE	2,042	(10,837)	(63)	-	(4,890)	(13,748)
Obligation for equity accounted investees			(563,372)	(39,670)	(29,968)	-	394,997	(238,013)
Net equity accounted investees			15,302,894	1,782,580	694,163	(169,787)	1,092,029	18,701,879

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7 EQUITY ACCOUNTED INVESTEEES (CONTINUED)

7.1 Contribution from equity accounted investees (continued)

7.1.1 The major additions made during the year ended 31 December 2025 is in relation to the Group's investment in Noor Energy 1 P.S.C, Isha Holding Company, Saad 2 Holding Company and Neom Green Hydrogen Company, amounting to ﷲ 1,456 million, ﷲ 586.4 million, ﷲ 467.1 million ﷲ 452.8 million respectively, along with entities acquired in Bahrain and Kuwait region as highlighted in note 34. Additionally, following the divestment of 60% shareholding of Hajar One Holding Company and Al Mourjan Two Holding Company and subsequent loss of control, these Group's subsidiaries have been accounted for as Equity Accounted Investees.

7.1.2 ACWA GUC (the "Project Company") is a 950 MW combined-cycle gas turbine power plant (the "Plant") situated in Kirikkale, Turkey (hyperinflationary economy), 100% owned and fully consolidated by ACWA (the "Group") until 2018. The Plant achieved Commercial Operation Date ("COD") in 2017 and operates on a merchant basis, selling electricity and capacity through bilateral contracts and participation in the balancing/day-ahead market.

The Group entered into negotiations with the Project Company's lenders and in August 2024, an agreement was signed to settle the outstanding debt of approximately ﷲ 2,317.0 million for a purchase price of ﷲ 731.0 million, of which the Group's share after sharing preferential cash flows with co-investor amounting to ﷲ 496.7 million. As part of the restructuring, one lender converted its debt into equity, obtaining an effective 27% shareholding in the Project Company, along with 10% of service cash flows and a put option exercisable any time after 8 years. The put option allows the lender to sell its shares at a price equivalent to their Fair Value at the exercise date.

As a result of the restructuring, the Group's effective shareholding in the Project Company has marginally increased to 73.0%. Based on the board reserved matters in the new shareholder agreement, the Group continues to hold joint control in the plant and to equity account for its interest in the Project Company.

This restructuring improved the Project Company's net asset position due to its liability obligations being converted to equity and resulted in a gain, and reinstatement of net investment in the Project Company by approximately ﷲ 1.2 billion at the Group level due to equity accounting of Project Company's net assets. However, concurrently the Group conducted a recoverability assessment of its net investment in the Project Company and after considering various factors affecting the recoverability had written down the investment in the Project Company to ﷲ 0.9 billion during 2024. The net impact has been reflected within the share of net results of equity accounted investees in these consolidated financial statements.

During the year, Türkiye introduced changes to its tax and accounting laws that resulted in the suspension of the hyperinflation accounting requirements for the fiscal years 2025–2027. The hyperinflation restatement impact has been recognised in consolidated statement of other comprehensive income (OCI) as an accounting policy choice, in accordance with the relevant accounting standards and the Group's accounting policies.

7.1.3 Due to the rising interest rates, the Group conducted certain impairment testing on their equity accounted investees' assets under construction. The impairment test concluded that no impairment was necessary for 2025. The assessment's outcomes are particularly sensitive to changes in the discount rate and technological advancements that could impact operating cost projections. In light of these sensitivities, management remains committed to continue monitoring of both the discount rate and underlying cashflow assumptions. Appropriate impairment adjustments will be recorded if required.

7.1.4 One of the Group's equity-accounted investees has experienced delays in achieving key project milestones, including the Project Commercial Operation Date ("PCOD"), primarily due to the COVID-19 pandemic, regulatory changes and project-related variations. The project's lenders granted extensions to these milestones up to 27 September 2025. The project also experienced delays due to the Offtaker late issuance of the necessary commercial licenses. As a result, additional extensions were sought during the year. As at the reporting date, these extension requests remain under review, pending the provision of certain assurances requested by the lenders. Management is actively engaging with the Offtaker to obtain the required confirmations. The Group continues to extend financial and operational support to the investee and remains committed to facilitating the project's progress towards successful commercial operation.

7.1.5 As at 31 December 2025, the NGHC project has achieved more than 90% overall completion. Following recent discussions between the EPC Contractor and the project shareholders, the EPC Contractor has submitted proposed variations to the EPC contracts relating to additional costs incurred during the construction phase. The shareholders have agreed to fund these variations through an additional equity injection amounting to ﷲ 1,665.0 million. ACWA's proportionate share of this funding commitment amounts to 33.3%, equivalent to approximately ﷲ 549.4 million. Management incorporated these additional costs into an updated impairment assessment. The assessment reflects the asset lifetime with both contract and non-contracted capacity. Sensitivity analysis was performed on discount rates, post-offtake pricing, and cost assumptions across different scenarios. Under all scenarios, the recoverable amount exceeded the carrying amount, and management therefore concluded that no impairment exists as at 31 December 2025.

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7 EQUITY ACCOUNTED INVESTEEES (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*	Other adjustments**	Carrying amount
31 December 2025													
Shuaibah Water & Electricity Company ("SWEC") – a project under SAMAWEC	4,049,432	660,144	173,556	(526,427)	(475,561)	(778,283)	(2,774)	3,100,087	30.00%	930,026	-	-	-
Shuaibah Expansion Project Company ("SEPCO") – a project under SAMAWEC	476,119	28,322	72,973	(59,770)	(47,821)	(31,629)	(76,529)	361,665	30.00%	108,500	-	-	-
Total for SAMAWEC	-	-	-	-	-	-	-	-		1,038,526	-	54,709	1,093,235
Hajr for Electricity Production Company ("HEPCO") – a project under QIC	7,411,327	55,163	199,141	(335,391)	(442,004)	(3,982,665)	(342,211)	2,563,360	25.00%	640,840	46,875	(81,117)	606,598
Jubail Water and Power Company – a project under SGA Marafiq	5,051,101	62,005	391,850	(774,674)	(170,105)	(2,164,334)	(23,276)	2,372,567	20.00%	474,513	48,150	2,377	525,040
Rabigh Electricity Company	6,120,729	144,140	201,473	(481,191)	(166,272)	(3,152,289)	(559,580)	2,107,010	40.00%	842,804	-	(350,200)	492,604
Dhofar Generating Company	1,614,769	42,508	146,409	(82,195)	(92,092)	(905,982)	(193,935)	529,482	27.00%	142,960	-	(42,111)	100,849
Al Mourjan for Electricity Production Company	4,631,640	54,216	161,732	(3,203,656)	(444,245)	-	(127,032)	1,072,655	50.00%	536,328	-	(66,606)	469,722
Hassyan Energy Phase 1 P.S.C	10,868,946	237,453	818,618	(341,085)	(425,130)	(8,785,785)	(179,644)	2,193,373	49.00%	1,074,753	122,400	220,836	1,417,989
Ad-Dhahirah Generating Company S.A.O.C	3,136,633	132,435	134,314	(225,018)	(157,047)	(1,534,675)	(1,264,142)	222,500	44.90%	99,903	403,015	29,548	532,466
Shinas Generating Company S.A.O.C.	3,158,066	81,260	135,663	(161,404)	(255,324)	(1,646,946)	(1,171,739)	139,576	44.90%	62,670	359,086	13,612	435,368
Haya Power & Desalination Company	3,828,812	73,683	147,787	(105,394)	(211,875)	(2,455,308)	(791,839)	485,866	60.00%	291,520	399,060	(36,352)	654,228
Noor Energy 1 P.S.C.	15,042,545	613,231	328,497	(647,490)	(364,604)	(9,287,732)	(5,874,102)	(189,655)	49.00%	(92,931)	1,958,497	(304,482)	1,561,084
Projects under APREH (note 7.2.1)	695,556	36,795	5,989	-	(5,560)	-	-	732,780	51.00%	373,718	-	20,009	393,727
ACWA GUC Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ("ACWA GUC") (note 7.1.2)	1,130,535	148,340	93,033	(1)	(136,825)	(1,381)	(1,043)	1,232,658	73.00%	899,840	18,750	(113,199)	805,391
Jazan Integrated Gasification and Power Company ("Jazan")	43,764,662	1,579,790	2,823,014	(428,185)	(864,112)	(40,680,122)	(70,109)	6,124,938	25.00%	1,531,235	3,579,608	(6,036)	5,104,807
Dhofar Desalination Co. SAOC	578,655	869	9,288	(28,621)	(124,947)	(379,898)	(39,871)	15,475	50.10%	7,753	-	(10,179)	(2,426)
Shams Ad-Dhahira Generating Company SAOC	1,440,070	12,921	15,428	(69,641)	(36,971)	(714,725)	(119,332)	527,750	50.00%	263,875	-	(33,210)	230,665
Taweelah RO Desalination Company LLC	3,142,669	65,468	254,958	(2,667,001)	(69,538)	-	(29,241)	697,315	40.00%	278,926	89,485	(183,733)	184,678
Naqa'a Desalination Plant LLC	3,305,529	81,243	129,314	(83,299)	(58,500)	(2,198,980)	(80,688)	1,094,619	40.00%	437,848	-	9,329	447,177
Shuaa Energy 3 P.S.C.	1,970,742	16,017	134,286	(68,413)	(151,406)	(1,696,912)	(41,990)	162,324	40.00%	64,930	767	2,466	68,163
Marafiq Red Sea for Energy	6,782,508	80,981	644,437	(4,733,255)	(514,520)	(1,491,293)	(393,286)	375,572	50.10%	188,162	-	(5,386)	182,776
NEOM Green Hydrogen Company	26,673,077	482,651	798,954	-	(374,100)	(18,915,128)	(112,216)	8,553,238	33.33%	2,850,794	173,769	(377,519)	2,647,044
Shuaibah Three Water Desalination Company	3,023,344	172,411	177,576	-	(110,015)	(3,044,016)	(120,765)	98,535	47.50%	46,804	-	(41,752)	5,052
ACWA Power Sirdarya	4,102,135	33,780	228,214	(108,739)	(535,654)	(669,998)	(2,840,947)	208,791	51.00%	106,483	471,113	(172,430)	405,166
AZN O&M Co WLL	2,381	67,066	230,772	-	(229,863)	-	(11,162)	59,194	50.00%	29,597	-	354,355	383,952
Shamal Az Zour Al Oula	4,731,764	88,543	433,750	(245,912)	(143,975)	(3,099,259)	(107,040)	1,657,871	17.50%	290,127	-	(57,898)	232,229
AL Dur Power and Water Co BSC	5,153,064	139,303	488,690	(305,590)	(129,004)	(3,681,357)	(150,201)	1,514,905	45.00%	681,707	-	(299,161)	382,546
Al Ezzel Power Co BSC	623,786	31,531	73,879	(130,834)	(15,670)	-	(50,848)	531,844	45.00%	239,330	-	(56,572)	182,758
Hidd Power Co BSC	1,104,218	133,376	153,375	(144,705)	(36,713)	-	(186,188)	1,023,363	30.00%	307,009	-	(60,973)	246,036

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7 EQUITY ACCOUNTED INVESTEEES (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*	Other adjustments**	Carrying amount
31 December 2024													
Shuaibah Water & Electricity Company ("SWEC") – a project under SAMAWEC	4,185,453	272,760	896,161	(511,508)	(142,163)	(1,349,378)	(5,845)	3,345,480	30.00%	1,003,644			
Shuaibah Expansion Project Company ("SEPCO") – a project under SAMAWEC	515,498	1,855	34,003	(55,829)	(28,284)	(91,399)	(75,728)	300,116	30.00%	90,035			
Total for SAMAWEC										1,093,679	-	71,963	1,165,642
Hajr for Electricity Production Company ("HEPCO") – a project under QIC	7,697,405	188,683	173,881	(333,280)	(536,032)	(4,311,849)	(360,910)	2,517,898	25.00%	566,275	46,875	(10,893)	602,257
Jubail Water and Power Company – a project under SGA Marafiq	5,841,526	108,366	423,072	(733,128)	(161,592)	(2,939,008)	(27,695)	2,511,541	20.00%	502,308	80,362	(30,428)	552,242
Rabigh Electricity Company	6,435,507	184,983	154,270	(394,061)	(243,837)	(3,577,122)	(571,110)	1,988,630	40.00%	795,452	-	(294,495)	500,957
Dhofar Generating Company	1,698,387	32,734	143,655	(78,499)	(83,738)	(983,776)	(192,105)	536,658	27.00%	144,898	-	(41,818)	103,080
Al Mourjan for Electricity Production Company	4,733,575	8,750	134,426	(149,627)	(237,387)	(3,203,656)	(113,759)	1,172,322	50.00%	586,161	-	(70,304)	515,857
Hassyan Energy Phase 1 P.S.C	11,667,053	113,682	1,452,957	(344,483)	(2,300,434)	(7,644,601)	(198,471)	2,745,703	49.00%	739,967	1,133,847	77,627	1,951,441
Ad-Dhahirah Generating Company S.A.O.C	3,262,018	120,057	272,488	(121,204)	(360,283)	(1,649,804)	(1,216,234)	307,038	44.90%	137,860	391,215	20,330	549,405
Shinas Generating Company S.A.O.C.	3,281,556	11,737	318,705	(107,694)	(451,154)	(1,748,766)	(1,135,265)	169,119	44.90%	75,934	348,919	8,361	433,214
Haya Power & Desalination Company	4,058,948	4,327	113,835	(115,355)	(161,469)	(2,549,935)	(788,593)	561,758	60.00%	337,055	399,060	(38,603)	697,512
Noor Energy 1 P.S.C.	14,967,354	207,565	1,289,012	(1,771,916)	(583,257)	(9,564,628)	(4,411,677)	132,453	49.00%	33,100	502,057	(193,505)	341,652
Projects under APREH (note 7.2.1)	4,061,674	127,515	180,705	(122,055)	(321,870)	(2,458,548)	(612,148)	855,273	51.00%	436,189	-	(3,267)	432,922
ACWA GUC Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ("ACWA GUC") (note 7.1.2)	1,269,942	127,537	73,651	-	(130,672)	-	(1,213)	1,339,245	73.00%	977,649	-	(113,775)	863,874
Jazan Integrated Gasification and Power Company ("Jazan")	42,371,090	149,288	3,425,519	-	(1,007,599)	(40,137,822)	(82,209)	4,718,267	25.00%	1,179,567	3,655,473	(16,299)	4,818,741
Dhofar Desalination Co. SAOC	598,036	278	10,630	-	(149,663)	(395,429)	(36,743)	27,109	50.10%	13,582	-	(7,334)	6,248
Shams Ad-Dhahira Generating Company SAOC	1,520,862	7,045	16,220	(94,513)	(44,045)	(739,726)	(110,260)	555,583	50.00%	277,792	-	(27,060)	250,732
Taweelah RO Desalination Company LLC	3,133,718	67,635	377,419	(61,290)	(2,736,461)	-	(32,997)	748,024	40.00%	299,210	89,485	(176,857)	211,838
Naqa'a Desalination Plant LLC	3,309,366	252,726	173,315	(80,505)	(116,337)	(2,279,979)	(63,652)	1,194,934	40.00%	477,974	-	1,364	479,338
Shuaa Energy 3 P.S.C.	2,093,267	19,658	135,428	(66,897)	(147,434)	(1,762,611)	(41,505)	229,906	24.00%	55,178	1,962	(622)	56,518
Marafiq Red Sea for Energy	6,783,766	263,807	685,033	(4,885,104)	(461,233)	(1,506,290)	(380,581)	499,398	50.10%	250,198	-	7,195	257,393
Neom Green Hydrogen Company	20,280,405	90,207	1,357,803	-	(1,252,220)	(13,189,395)	(124,795)	7,162,005	33.33%	2,387,096	-	(99,137)	2,287,959
Shuaibah Three Water Desalination Company	2,885,220	16,378	24,261	-	(25,693)	(2,711,974)	(89,039)	99,153	47.50%	47,078	-	(41,410)	5,668
ACWA Power Sirdarya	4,183,157	67,198	206,696	-	(452,702)	(2,588,955)	(1,054,229)	361,165	51.00%	184,194	520,568	(181,465)	523,297

* Other long-term interest in investees represents advances to the investee by the Group against its equity commitments.

** Other adjustments includes net assets or liabilities of holding companies, downstream / upstream consolidation adjustments and other group level consolidation adjustments.

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7 EQUITY ACCOUNTED INVESTEEES (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 / (loss) before depreciation	Depreciation	Finance Charges	Finance Income	Net profit / (loss) *	Other comprehensive income / (loss) *	Total comprehensive income / (loss) *
For year ended 31 December 2025								
Jubail Water and Power Company – a project under SGA Marafiq	1,004,945	378,185	(18,881)	(154,846)	5,176	197,254	(95,380)	101,874
Shuaibah Water & Electricity Company (“SWEC”) – a project under SAMAWEC	379,823	247,996	(552,365)	(96,998)	20,280	160,163	(18,190)	141,973
Shuaibah Expansion Project Company (“SEPCO”) – a project under SAMAWEC	202,894	121,122	(28,801)	(12,261)	351	73,692	1,284	74,976
Hajr for Electricity Production Company (“HEPCO”) – a project under QIC	1,047,648	633,853	(265,854)	(227,363)	1,722	154,439	(92,520)	61,919
Rabigh Electricity Company	969,825	805,329	(319,723)	(300,124)	8,634	175,754	(26,137)	149,617
Al Mourjan for Electricity Production Company	522,296	293,248	(161,975)	(247,976)	2,297	(90,986)	(8,682)	(99,668)
Dhofar Generating Company	639,691	102,246	(38,395)	(61,286)	2,546	4,292	(1,170)	3,122
Hassyan Energy Phase 1 P.S.C.	1,231,984	961,189	(288)	(842,474)	569,018	625,697	(697,498)	(71,801)
Ad-Dhahirah Generating Company S.A.O.C	1,028,597	156,707	(86,720)	(133,722)	2,619	(40,167)	(3,494)	(43,661)
Shinas Generating Company S.A.O.C.	1,041,320	184,357	(94,030)	(133,490)	486	11,669	(30,156)	(18,487)
Haya Power & Desalination Company	1,311,174	271,435	(115,126)	(153,409)	1,009	3,909	(21,124)	(17,215)
Noor Energy 1 P.S.C.	884,274	890,209	(419,835)	(704,171)	156,428	(86,573)	(235,534)	(322,107)
Dhofar Desalination Co. SAOC	87,948	42,575	(14,814)	(29,240)	-	(5,472)	(629)	(6,101)
Taweelah RO Desalination Company LLC	184,471	91,633	(1,663)	(97,829)	1,741	(5,683)	(15,383)	(21,066)
Naqa’a Desalination Plant LLC	667,340	160,192	(1,366)	(84,949)	5,433	72,167	(58,107)	14,060
ACWA GUC Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. (“ACWA GUC”) (note 7.1.2)	1,308,493	(19,649)	(32,115)	(29,635)	67,033	(227,535)	-	(227,535)
Projects/Entities under APREH (note 7.2.1)	519,011	355,076	(125,361)	(224,582)	4,961	8,901	(5,524)	3,377
Shams Ad-Dhahira Generating Company SAOC	135,774	102,685	(49,995)	(45,231)	50	(3,862)	(23,970)	(27,832)
Dhofar O&M Company LLC	344,542	3,756	-	74	-	3,171	-	3,171
Shuaa Energy 3 P.S.C.	148,844	126,693	(77,177)	(111,420)	49,753	(11,058)	(13,436)	(24,494)
Jazan Integrated Gasification and Power Company	6,591,790	4,150,444	(12,498)	(2,016,043)	40,682	1,840,951	(137,751)	1,703,200
Neom Green Hydrogen Company	-	-	-	-	-	(6,909)	(191,366)	(198,275)
ACWA Power Sirdarya	294,817	(107,315)	(274,596)	(253,970)	-	(107,589)	(86,008)	(193,597)
Marafiq Red Sea for Energy	678,274	288,335	-	(338,731)	5,099	(54,884)	(83,165)	(138,049)
Shamal Az Zour Al Oula	637,337	192,102	(650)	(215,690)	39,941	183,640	(80,718)	102,922
AL Dur Power and Water Co BSC	1,331,843	418,708	-	(298,206)	3,394	119,341	(74,556)	44,785
Al Ezzel Power Co BSC	587,060	116,879	(59,400)	(17,351)	1,249	41,378	(3,158)	38,220
Hidd Power Co BSC	1,539,169	449,123	(332,085)	(35,760)	4,793	86,070	2,333	88,403
Other projects	4,212,038	1,782,273	(520,841)	(1,031,908)	102,277	382,852	(1,227,724)	(844,872)
Total		13,199,386				3,504,622	(3,227,763)	276,859
Total (ACWA share)		4,559,522				454,780	(898,919)	(444,139)

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7 EQUITY ACCOUNTED INVESTEEES (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 / (loss) before depreciation	Depreciation	Finance Charges	Finance Income	Net profit / (loss) *	Other comprehensive income / (loss) *	Total comprehensive income / (loss) *
For year ended 31 December 2024								
Jubail Water and Power Company – a project under SGA Marafiq	1,004,284	452,538	(32,579)	(185,859)	6,575	226,345	(40,241)	186,104
Shuaibah Water & Electricity Company (“SWEC”) – a project under SAMAWEC	551,229	392,909	(541)	(132,194)	6,624	249,658	(22,109)	227,549
Shuaibah Expansion Project Company (“SEPCO”) – a project under SAMAWEC	157,960	86,085	(28,696)	(14,866)	542	39,875	4,670	44,545
Hajr for Electricity Production Company (“HEPCO”) – a project under QIC	1,029,792	564,723	(273,810)	(244,593)	1,365	39,422	306,196	345,618
Rabigh Electricity Company	972,950	781,613	(328,298)	(278,949)	9,383	174,068	(88,885)	85,183
Al Mourjan for Electricity Production Company	633,553	399,608	(162,577)	(197,571)	1,495	39,923	(56,551)	(16,628)
Dhofar Generating Company	583,339	122,363	(39,116)	(64,233)	1,741	14,289	(1,366)	12,923
Hassyan Energy Phase 1 P.S.C.	1,205,306	707,129	(95)	(558,437)	7,760	146,578	115,090	261,668
Ad-Dhahirah Generating Company S.A.O.C	1,051,717	182,156	(87,895)	(139,606)	673	(64,679)	(819)	(65,498)
Shinas Generating Company S.A.O.C.	974,340	168,187	(94,069)	(139,958)	1,128	(83,400)	(175)	(83,575)
Haya Power & Desalination Company	1,267,592	275,070	(115,073)	(164,418)	131	(4,289)	22,772	18,483
Noor Energy 1 P.S.C.	580,555	576,712	(397,946)	(1,009,103)	224,315	(559,506)	237,533	(321,973)
Dhofar Desalination Co. SAOC	87,266	(57,638)	(14,911)	(26,147)	-	(104,098)	4,361	(99,737)
Taweelah RO Desalination Company LLC	179,561	67,462	(1,323)	(52,155)	-	47,021	(70,473)	(23,452)
Naqa’a Desalination Plant LLC	634,492	151,432	(906)	(98,616)	10,977	64,934	51,440	116,374
ACWA GUC Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. (“ACWA GUC”) (note 7.1.3)	1,254,601	(723,342)	(359,501)	(591,214)	43,197	(936,648)	-	(936,648)
Projects/Entities under APREH (note 7.2.1)	542,075	389,528	(124,351)	(268,107)	103,239	65,899	(83,333)	(17,434)
Shams Ad-Dhahira Generating Company SAOC	133,247	102,455	(52,389)	(46,840)	-	(12,084)	11,327	(757)
Dhofar O&M Company LLC	338,900	(54,975)	-	(40)	-	3,062	-	3,062
Shuaa Energy 3 P.S.C.	144,820	120,457	(77,899)	(132,321)	66,542	(21,242)	28,280	7,038
Jazan Integrated Gasification and Power Company	6,889,851	3,972,817	(11,381)	(2,122,584)	48,229	1,579,206	93,908	1,673,114
Neom Green Hydrogen Company	-	-	-	-	-	-	727,896	727,896
ACWA Power Sirdarya	244,373	87,877	(358)	(133,605)	-	(46,627)	59,408	12,781
Marafiq Red Sea for Energy	397,365	284,893	-	(117,113)	-	17,959	90,406	108,365
Other projects	787,928	1,753,383	(178,676)	(288,229)	2,329	165,111	105,064	270,175
Total		<u>10,803,442</u>				<u>1,040,777</u>	<u>1,494,399</u>	<u>2,535,176</u>
Total (ACWA share)		<u>3,124,223</u>				<u>694,163</u>	<u>1,092,029</u>	<u>1,786,192</u>

* 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.

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 ﷲ 692.5 million (31 December 2024: ﷲ 502.3 million).

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8 NET INVESTMENT IN FINANCE LEASE

In relation to certain Power Purchase Agreements (“PPA”) or Water Purchase Agreements (“WPA”) between 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 2025	As of 31 Dec 2024
<i>a) Net investment in finance leases consist of:</i>		
Gross investment in finance leases (see (b) below)	16,033,864	16,465,287
Less: Unearned finance income (see (c) below)	<u>(4,906,764)</u>	<u>(5,340,286)</u>
	<u>11,127,100</u>	<u>11,125,001</u>
Analysed as:		
Current portion of net investment in finance lease	<u>387,523</u>	<u>328,163</u>
Non-current portion of net investment in finance lease	<u>10,739,577</u>	<u>10,796,838</u>
<i>b) The undiscounted value of future minimum lease payments to be received consist of:</i>		
Less than one year	862,174	815,107
One to two years	925,651	911,972
Two to three years	926,181	891,328
Three to four years	918,867	898,081
Four to five years	913,120	876,561
More than five years	<u>11,487,871</u>	<u>12,072,238</u>
	<u>16,033,864</u>	<u>16,465,287</u>
<i>c) The maturity of unearned finance income are as follows:</i>		
Less than one year	474,651	486,944
One to two years	459,873	469,457
Two to three years	440,379	451,296
Three to four years	419,455	432,539
Four to five years	397,986	412,156
More than five years	<u>2,714,420</u>	<u>3,087,894</u>
	<u>4,906,764</u>	<u>5,340,286</u>
	As of 31 Dec 2025	As of 31 Dec 2024
Opening balance	11,125,001	11,826,675
Add: Finance income recognized during the year	390,731	427,628
Less: Lease payments received	(759,735)	(906,205)
Add / (less): Foreign exchange impact	614,734	(223,558)
Impairment loss	(239,863)	-
Other adjustments	<u>(3,768)</u>	<u>461</u>
	<u>11,127,100</u>	<u>11,125,001</u>

8.1 The periodic rate of return used by the Group ranges from 2.04% to 10.21% (2024: 2.04% to 10.21%) per annum. During the year the Group recognised a finance lease income of ﷲ 390.7 million (2024: ﷲ 427.6 million) (note 25).

The finance lease income is presented net of energy generation shortfall amounting to ﷲ 100.3 million for the year ended 31 December 2025 (31 December 2024: shortfall amounting to ﷲ 80.5 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 2025 is ﷲ 392.9 million (31 December 2024: ﷲ 408.1 million).

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9 OTHER ASSETS

	<i>Note</i>	As of 31 Dec 2025	As of 31 Dec 2024
Advance fee to customer	9.1	154,502	170,941
Value Added Tax ("VAT") receivable		290,681	114,578
Right of use assets	9.2	62,753	85,852
Strategic fuel inventories	9.3	-	25,502
Contract assets	9.4	53,435	-
Others		10,892	4,044
		572,263	400,917

- 9.1** Advance fee paid to the off taker of a project company against the future revenues of the project.
- 9.2** Right-of-use assets are depreciated on a straight-line basis to be amortised over the shorter of the lease term and the estimated useful lives of the assets (i.e., 2 - 40 years).
- 9.3** A subsidiary of the Group was required to maintain sufficient quantities of fuel (termed as "Strategic fuel inventories") in the power generating plant, for the periods stated in a Power Purchase Agreement ("PPA"), to enable the Plants to operate continuously. As of 31 December 2024, strategic fuel inventories amounted to ₪ 25.5 million were maintained at the plant and classified as non-current other assets in the consolidated statement of financial position. The PPA expired on 17 October 2025, and the Plant and building along with the strategic inventory were subsequently sold, resulting in a gain of ₪ 28.1 million and ₪ 12.5 million respectively which was recorded in the consolidated statement of profit or loss.
- 9.4** During the year, the Group sold the evacuation infrastructure to the off-taker, with consideration received over the 25-year PPA term through energy charges, and revenue recognised at the present value of future payments using a market-based discount rate.

10 INVENTORIES

	As of 31 Dec 2025	As of 31 Dec 2024
Spare parts and consumables	717,282	549,032
Chemicals	27,383	20,114
Diesel	22,497	12,380
	767,162	581,526

- 10.1** During the year, the Group recognized a reversal of inventory provision of ₪ 6.9 million (2024: provision charge of ₪ 7.7 million).

11 ACCOUNTS RECEIVABLE, PREPAYMENTS AND OTHER RECEIVABLES

	<i>Note</i>	As of 31 Dec 2025	As of 31 Dec 2024
Trade accounts receivable*		1,753,510	2,313,200
Less: Allowance for impaired receivables	11.1	(239,473)	(291,567)
Net trade accounts receivable		1,514,037	2,021,633
Advances to suppliers		838,351	675,861
Prepayments and other receivables		764,030	624,543
Reinsurance assets	11.2	210,818	345,859
Project development cost	11.3	363,367	329,601
Value added tax and other receivables from authorities	11.4	93,044	55,703
Advances to employees		42,713	49,594
Dividend receivable		521	8,900
Others		29,333	21,060
		3,856,214	4,132,754

*Trade receivable balances due from related parties are disclosed in note 23.

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11 ACCOUNTS RECEIVABLE, PREPAYMENTS AND OTHER RECEIVABLES (CONTINUED)

- 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 of a wholly 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 cost 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 2025, ﷲ 147.1 million (2024: ﷲ 222.8 million) were recorded in profit or loss on account of provision 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 2025	As of 31 Dec 2024
Cash at bank and cash in hand	2,039,055	1,780,371
Short-term deposits with original maturities of less than three months*	6,018,575	2,022,624
Cash and cash equivalents	<u>8,057,630</u>	<u>3,802,995</u>

* These short-term deposits carry an average rate of return of 4.79% (2024: 4.41%) per annum.

13 SHORT TERM INVESTMENTS

	As of 31 Dec 2025	As of 31 Dec 2024
Short term deposits with original maturities of more than three months*	<u>106,000</u>	<u>280,800</u>

*These short-term deposits carry an average rate of return of 4.22% (2024: 6.00%) per annum.

14 SHARE CAPITAL AND RESERVES

14.1 Share capital

The Company's authorised and fully paid-up share capital consists of 766,490,498 shares (31 December 2024: 732,561,928 shares) of ﷲ 10 each.

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

	As of 31 Dec 2025	As of 31 Dec 2024
Authorised and fully paid-up shares of ﷲ 10 each	7,310,998	7,310,998
Increase in share capital pursuant to rights issuance (note 14.4.1)	339,286	-
Issuance of bonus shares (note 14.4.3)	14,621	14,621
Share capital	<u>7,664,905</u>	<u>7,325,619</u>

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.

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14 SHARE CAPITAL AND RESERVES (CONTINUED)

14.2 Capital management (continued)

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 ﷲ 329.0 million (ﷲ 0.45 per share) for the year 2023, payable during 2024. The proposed dividends were approved by the shareholders at the extraordinary general assembly meeting held on 29 April 2024. The dividend was paid on 13 May 2024.

Furthermore during 2025, certain subsidiaries of the Group distributed dividends of ﷲ 120.6 million (31 December 2024: ﷲ 121.3 million) to the non-controlling interest ("NCI") shareholders.

14.4 Right issuance, Treasury Shares and Bonus shares

14.4.1 On 30 June 2025 (corresponding to 05/01/1447H), the Company's Extraordinary General Assembly approved the increase of the Company's capital from ﷲ 7,325.6 million to ﷲ 7,664.9 million by way of a Rights Issue, offering 33,928,570 ordinary Shares at an Offering Price of ﷲ 210 per share, with a total value of ﷲ 7,124.9 million. The trading and subscription of the rights on the Saudi Exchange were completed in July 2025, with net proceeds received on 31 July 2025. The impact of the rights issuance has been reflected net of the issuance cost in these consolidated financial statements.

14.4.2 Pursuant to Employees Stock Incentive Program ("Program") as approved by the Board of Directors in 2023 and subsequent approval for the purchase of additional Company shares on 30 June 2025 by the shareholders of the Company, the Company purchased additional 597,878 shares amounting to ﷲ 132.6 million at the prevailing market price. Further, during the year ended 31 December 2024, the Company purchased 391,200 shares amounting to ﷲ 118.0 million at the prevailing market rates.

The Group has recognised these shares within treasury shares in the consolidated statement of changes in equity

14.4.3 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 ﷲ 14.6 million from the retained earnings by granting 1 share for every 500 shares owned. The bonus share issuance was approved by the shareholders at the extraordinary general assembly meeting held on 29 April 2024. Consequently, the share capital increased from ﷲ 7,310,997,290 to ﷲ 7,325,619,280 due to the issuance of bonus shares through the transfer from retained earnings to share capital.

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14 SHARE CAPITAL AND RESERVES (CONTINUED)

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)	Re-measurement of defined benefit liability	Equity-settled share-based payment	Other	Total
Balance as of 1 January 2024	938,841	(17,471)	1,209,393	(30,994)	-	(27,180)	2,072,589
Change in fair value of cash flow hedge reserve net of settlements	677,143	-	1,126,075	-	-	-	1,803,218
Cash flow hedge reserve recycled to profit or loss upon termination of hedge relationships	(15,491)	-	-	-	-	-	(15,491)
Cash flow hedge reserve recycled to profit or loss upon loss of control of subsidiaries (note 34.4)	(508,538)	-	-	-	-	-	(508,538)
Settlement of treasury shares	-	-	-	-	(18,284)	-	(18,284)
Other changes	-	24,269	(34,046)	(10,560)	80,958	-	60,621
Balance as of 31 December 2024	1,091,955	6,798	2,301,422	(41,554)	62,674	(27,180)	3,394,115
Change in fair value of cash flow hedge reserve net of settlements	(328,389)	-	(1,008,293)	-	-	-	(1,336,682)
Cash flow hedge reserve recycled to profit or loss upon termination of hedge relationships	(284,022)	-	-	-	-	-	(284,022)
Cash flow hedge reserve recycled to profit or loss upon loss of control of subsidiaries (note 34)	(36,185)	-	-	-	-	-	(36,185)
Other changes	-	(25,330)	(17,678)	12,398	36,414	-	5,804
Balance as of 31 December 2025	443,359	(18,532)	1,275,451	(29,156)	99,088	(27,180)	1,743,030

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. As at the reporting date, the cash flow hedge reserve includes an amount of ₪ 186.05 million relating to hedge instruments that have been terminated. The amount is expected to be reclassified to profit or loss in future periods, upon the determination that the forecasted transactions to which the hedges related to are no longer expected to occur.

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14 SHARE CAPITAL AND RESERVES (CONTINUED)

14.5 Other reserves (continued)

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 ("CTR") relating to that particular foreign operation is recognised in the consolidated statement of profit or loss.

The group has an equity accounted investee operating in a hyper inflationary economy. In line with accounting requirement CTR for this investee is recognised in the share of other comprehensive income from the investee.

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.

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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")	Rabigh Arabian Water & Electricity Company ("RAWEC") (note 15.2)	ACWA Power Luxor Project Holding Co. Ltd ("LUXOR")	Others* including adjustments ("Others")	Total
Place of business	Jordan	Oman	Morocco	Morocco	Morocco	Jordan	KSA	KSA	KSA	UAE	South Africa	UAE	KSA	Egypt		
As of 31 December 2025																
NCI %	59.07%	58.10%	26.88%	25.00%	25.00%	40.00%	30.00%	30.00%	40.00%	49.00%	28.00%	45.00%	31.00%	30.00%		
Non-current assets	85,283	511,823	2,020,041	2,957,319	2,445,539	1,833,254	2,258,275	911,048	807	117,964	278,324	1,206,652	5,904,079	2,852,161		
Current assets	158,803	172,269	381,088	262,537	313,545	82,338	207,088	58,384	83,952	14,242	27,856	9,905	542,569	852,746		
Non-current liabilities	(15,545)	(332,405)	(1,419,577)	(2,085,193)	(2,275,612)	(1,140,874)	(1,619,089)	(697,200)	(5,791)	(224,300)	-	-	(3,210,927)	(1,928,747)		
Current liabilities	(29,957)	(121,852)	(291,026)	(1,286,617)	(785,438)	(94,064)	(206,734)	(193,319)	(15,182)	(15,059)	(28,225)	(8,004)	(581,669)	(286,245)		
Net assets / (liabilities)	198,584	229,835	690,526	(151,954)	(301,966)	680,654	639,540	78,913	63,786	(107,153)	277,955	1,208,553	2,654,052	1,489,915		
Net assets / (liabilities) attributable to NCI	117,304	133,534	185,613	(37,989)	(75,492)	272,262	191,862	23,674	25,514	(52,505)	77,827	543,849	822,756	446,974	(48,663)	2,626,520
As of 31 December 2024																
NCI %	59.07%	58.10%	26.88%	25.00%	25.00%	40.00%	30.00%	30.00%	40.00%	49.00%	28.00%	45.00%	31.00%	30.00%		
Non-current assets	185,219	591,691	1,969,763	2,807,467	2,456,355	1,906,678	2,613,888	952,811	719	442,324	372,596	1,414,276	6,128,678	-		
Current assets	20,175	162,980	291,259	293,247	85,285	81,254	202,959	56,461	103,616	14,079	-	11,713	573,688	-		
Non-current liabilities	(47,716)	(308,766)	(1,354,707)	(2,014,736)	(1,732,986)	(1,242,171)	(1,765,024)	(721,395)	(5,810)	-	-	-	(3,592,922)	-		
Current liabilities	(44,040)	(130,033)	(256,542)	(1,106,628)	(1,239,252)	(93,449)	(725,500)	(193,341)	(46,695)	(14,855)	(137)	(10,634)	(630,899)	-		
Net assets / (liabilities)	113,638	315,872	649,773	(20,650)	(430,598)	652,312	326,323	94,536	51,830	441,548	372,459	1,415,355	2,478,545	-		
Net assets / (liabilities) attributable to NCI	67,126	183,522	174,659	(5,163)	(107,650)	260,925	97,897	28,361	20,732	216,359	104,289	636,910	768,349	-	811	2,447,127

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15 NON-CONTROLLING INTEREST (“NCI”) (CONTINUED)

Information on statement of profit or loss and other comprehensive income

	CEGCO	Barka	APO I	APOII	APOIII	Zarqa	Rabigh 3	Sakaka	ROMCO	Solar CSP	Redstone	Harbin	RAWEC (note 15.2)	LUXOR	Others*	Total
31 December 2025																
NCI %	59.07%	58.10%	26.88%	25.00%	25.00%	40.00%	30.00%	30.00%	40.00%	49.00%	28.00%	45.00%	31.00%	30.00%		
Revenue	191,403	301,945	229,351	93,567	120,094	258,908	271,045	51,171	97,829	-	-	-	1,162,664	-		
Profit / (loss)	91,487	(20,538)	55,391	(131,475)	140,284	53,579	227,545	(4,363)	20,686	(568,045)	(93,974)	595,797	337,593	(7,770)		
OCI	-	-	-	-	-	(23,209)	(317,298)	(11,283)	-	(116,310)	(37,085)	(339,876)	(16,587)	(27,775)		
Total comprehensive income / (loss)	91,487	(20,538)	55,391	(131,475)	140,284	30,370	(89,753)	(15,646)	20,686	(684,355)	(131,059)	255,921	321,006	(35,545)		
Profit / (loss) – NCI share	54,041	(11,933)	14,889	(32,869)	35,071	21,432	68,264	(1,309)	8,275	(278,342)	(26,313)	268,109	104,654	(2,331)	(13,259)	208,379
OCI – NCI share	-	-	-	-	-	(9,284)	(95,189)	(3,385)	-	(56,992)	(10,384)	(152,944)	(5,142)	(8,333)	(15,788)	(357,441)
31 December 2024																
NCI %	59.07%	58.10%	26.88%	25.00%	25.00%	40.00%	30.00%	30.00%	40.00%	49.00%	28.00%	45.00%	31.00%	30.00%		
Revenue	219,261	251,566	200,248	150,776	91,598	257,861	309,336	52,896	84,872	-	-	19,740	1,168,587	-		
Profit / (loss)	59,147	319,788	50,804	(48,523)	(211,326)	57,161	6,017	25,336	15,883	(1,118)	(102)	12,395	106,289	-		
OCI	-	-	-	-	-	10,950	71,767	(22,747)	-	-	-	-	(2,622)	-		
Total comprehensive income / (loss)	59,147	319,788	50,804	(48,523)	(211,326)	68,111	77,784	2,567	15,883	(1,118)	(102)	12,395	103,667	-		
Profit / (loss) – NCI share	34,938	185,797	13,656	(12,131)	(52,832)	22,864	1,805	7,601	6,353	(548)	(28)	5,578	32,950	-	(15,224)	230,779
OCI – NCI share	-	-	-	-	-	4,380	21,530	(6,824)	-	-	-	-	(813)	-	1,124	19,397

*Others mainly represents the non-controlling interest related to ACWA Power Ouarzazate IV S.A (“APO IV”), ACWA Power Laayoune (“APL”), and ACWA Power Boujdour (“APB”).

15.1 During 2025, minority shareholders of Harbin, Redstone and Luxor have provided additional capital contribution amounting to ﷲ Nil (2024: ﷲ 9.56 million), ﷲ Nil million (2024: ﷲ 1.88 million) and ﷲ 394.6 million (2024: ﷲ Nil million) respectively. In addition, ﷲ 304.3 million (2024: ﷲ Nil) capital was repaid by Harbin respectively to the minority shareholders. The additional capital contribution and repayment is recorded directly within the equity. Further, certain prior period equity accounting adjustments of ﷲ 361 million pertaining to non-controlling interest have been recognized directly rather than through Equity Accounting Investee’s share of other comprehensive income.

15.2 During the year ended 31 December 2024, the Group divested 30% of its equity interest in RAWEC while retaining control over the entity. Following the transaction, the Group's ownership of RAWEC decreased from 99% to 69%. Despite the partial divestment, RAWEC remains a subsidiary and continues to be fully consolidated in the Group's financial statements. As per IFRS 10, the sale of a non-controlling interest without loss of control is accounted for as an equity transaction. No gain or loss is recognised in the consolidated statement of profit or loss. Instead, the difference between the consideration received and the proportionate reduction in the carrying amount of the subsidiary’s net assets is recognised directly in equity as part of retained earnings.

- **Consideration received:** ﷲ 835.1 million
- **Increase in Non-Controlling Interest (NCI):** ﷲ 755 million
- **Impact on equity:** ﷲ 51 million

This transaction resulted in an increase in equity attributable to owners of the parent by ﷲ 51 million, recorded in retained earnings.

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16 LONG-TERM FINANCING AND FUNDING FACILITIES

	<i>Note</i>	As of 31 Dec 2025	As of 31 Dec 2024
<u>Recourse debt:</u>			
Financing facilities in relation to projects		4,526,765	4,045,876
Corporate facilities		58,021	1,504
Sukuks	16.1	4,591,670	4,588,969
<u>Non-recourse debt:</u>			
Financing facilities in relation to projects		17,965,398	15,310,870
Structured bond (“APMI One bond”)	16.2	1,391,406	1,445,501
Loan notes (“APCM bond”)	16.3	547,777	565,251
Rabigh Three Bonds	16.6	1,237,500	-
Total financing and funding facilities*		30,318,537	25,957,971
Less: Current portion of long-term financing and funding facilities		(1,875,778)	(1,751,045)
Long-term financing and funding facilities presented as non-current liabilities		28,442,759	24,206,926

*Total financing and funding facilities includes ﷲ 10,087.1 million on account of Islamic facilities (31 December 2024: ﷲ 10,033.8 million).

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).

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).

	<i>Note</i>	<i>Interest rate</i>	<i>Maturity</i>	<u>Non-current portion</u>		<u>Current portion</u>	
		<i>Fixed / variable</i>		As of 31 Dec 2025	As of 31 Dec 2024	As of 31 Dec 2025	As of 31 Dec 2024
<u>Recourse debt</u>							
<u>Financing facilities in relation to projects:</u>	16.4						
ACWA Power Ouarzazate III S.A. (“APO III”)		Fixed	2040	70,461	64,957	-	-
ACWA Power Kom Ombo Project Holding Company (“Kom Ombo”)		Variable	2027	215,679	215,679	-	-
ACWA Power for Energy		Variable	2028	1,707,633	1,335,437	-	-
ACWA Power Green Energy Africa Pty Ltd		Variable	2028	271,080	214,447	323,037	284,999
ACWA Power Global Services		Variable	2029	659,441	670,460	-	-
ACWA Power Wind Karatau FE LLC		Variable	2043	209,907	221,094	-	-
ACWA Power Azerbaijan Renewable Energy LLC		Variable	2027	375,777	375,778	-	-
ACWA Power Riverside Solar LLC		Variable	2029	600,000	569,276	-	-
ACWA Power UKS Green H2 Ltd.		Variable	2028	93,750	93,749	-	-
Total – financing facilities in relation to projects				4,203,728	3,760,877	323,037	284,999

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16 LONG -TERM FINANCING AND FUNDING FACILITIES (CONTINUED)

	<i>Note</i>	<i>Interest rate</i>	<i>Maturity</i>	<i>Non-current portion</i>		<i>Current portion</i>	
		<i>Fixed / Variable</i>		<i>As of 31 Dec 2025</i>	<i>As of 31 Dec 2024</i>	<i>As of 31 Dec 2025</i>	<i>As of 31 Dec 2024</i>
<i>Corporate facilities:</i>							
Revolving Corporate Murabaha Facility		Variable	2032	58,021	1,504	-	-
Sukuks	16.1	Variable	2030	4,591,670	4,588,969	-	-
Total – recourse debt				8,853,419	8,351,350	323,037	284,999
<i>Non-recourse debt:</i>							
<i>Financing facilities in relation to projects:</i>							
Barka Water and Power Projects SAOG (“Barka”)	16.4	Fixed	2031	229,403	201,663	51,417	49,595
Central Electricity Generating Company (“CEGCO”)		Fixed	2026	-	6,372	6,360	12,745
ACWA Power Ouarzazate S.A. (“APO I”)		Fixed	2038	1,323,023	1,306,298	104,658	92,654
ACWA Power Ouarzazate II S.A. (“APO II”)		Fixed	2040	2,086,290	2,014,017	74,758	132,542
ACWA Power Ouarzazate III S.A. (“APO III”)		Fixed	2040	1,633,887	1,544,197	110,695	132,157
ACWA Power Ouarzazate IV S.A. (“APO IV”)		Fixed	2035	124,839	138,505	13,932	21,043
Shuaibah Two Water Development Project (“Shuaibah II”)		Variable	2040	284,247	288,123	14,809	13,112
ACWA Power Laayoune		Fixed	2035	181,149	168,980	8,174	36,557
ACWA Power Boujdour		Fixed	2035	50,391	53,284	5,804	5,505
Al Zarqa Plant for Energy Generation (“ZARQA”)		Variable	2035	808,641	883,733	75,092	76,351
Sakaka Solar Energy Company (“Sakaka”)	16.5	Variable	2044	663,767	689,576	25,809	23,082
Rabigh Three Company (“Rabigh 3”)	16.6	Variable	2046	341,666	1,700,047	8,556	62,575
Rabigh Arabian Water and Electricity Company (“RAWEC”)		Both	2034	3,206,795	3,589,036	389,950	404,661
Alia Water Company		Variable	2026	-	-	181,826	181,826
ACWA Power FEWA Project Holding Company		Variable	2025	-	178,693	-	-
ACWA Power Kom Ombo for Energy (“Kom Ombo Project”)		Variable	2043	368,140	387,628	17,758	17,930
ACWA Power Luxor Project Holding Company Ltd		Variable	2029	910,707	74,492	-	-
Xinyang Mingxi new energy Co., Ltd		Variable	2040	268,354	277,249	13,621	-
ACWA Power Wind Karatau FE LLC		Variable	2026	4,474	-	220,681	129,826
ACWA Power Azerbaijan Renewable Energy LLC		Variable	2043	724,801	416,816	60,128	-
Yangbu New Energy Technology Co., Ltd.		Variable	2042	78,400	-	3,493	-
Yanghe New Energy Power Generation Co., Ltd.		Variable	2042	106,979	-	4,766	-
Yanggong New Energy Technology Co., Ltd.		Variable	2042	87,181	-	3,884	-
ACWA Power Riverside Solar LLC		Variable	2043	1,270,245	-	-	-
ACWA Power UKS Green H2 Ltd.		Variable	2045	252,747	-	5,284	-
Acwa Power Beruniy Wind		Variable	2028	249,003	-	-	-
Xinyang Mingshang New Energy Co., Ltd.		Variable	2040	253,175	-	11,640	-
Suez Wind Energy (S.A.E)		Variable	2044	525,000	-	-	-
ACWA Power Kungrad Wind 1		Variable	2029	107,806	-	-	-
Boli County Runfeng New Energy Co., Ltd.		Variable	2042	386,689	-	24,504	-
Total – financing facilities in relation to projects				16,527,799	13,918,709	1,437,599	1,392,161

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16 LONG -TERM FINANCING AND FUNDING FACILITIES (CONTINUED)

		<i>Interest rate</i>	<i>Maturity</i>	<i>Non-current portion</i>		<i>Current portion</i>	
				<i>As of</i> 31 Dec 2025	<i>As of</i> 31 Dec 2024	<i>As of</i> 31 Dec 2025	<i>As of</i> 31 Dec 2024
Non-recourse debt:							
<i>APMI One bond</i>	16.2	Fixed	2039	1,293,368	1,389,090	98,038	56,411
<i>APCM bond</i>	16.3	Fixed	2044	530,673	547,777	17,104	17,474
<i>Rabigh Three Bonds</i>	16.6	Both	2046	1,237,500	-	-	-
Total – non-recourse debt				19,589,340	15,855,576	1,552,741	1,466,046
Total financing and funding facilities				28,442,759	24,206,926	1,875,778	1,751,045

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 ﷲ 2,800.0 million at par (sak) value of ﷲ 1 million each, without discount or premium. Further, on 2 February 2023, the Group completed the issuance of ﷲ 1,800.0 million Sukuk under its ﷲ 4,600.0 million Sukuk issuance program. 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., 7 years from the date of the issuance with a call option (only on the second tranche) effective on or after 5 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 (ﷲ 3,052.5 million). The bonds carry a fixed rate of interest at 5.95% per annum due for settlement on a semi-annual basis. The bonds’ principal is due to be repaid in semi-annual instalments which commenced 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 has partially bought back bonds amounting to USD 400.7 million (equivalent to ﷲ 1,502.7 million) at a discount. The Group recognised a gain of ﷲ 74.8 million in the year ended 31 December 2022 on the buyback which was net of the proportionate share in the unamortised transaction cost in relation to the bond’s issuance.
- 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 annum 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 ﷲ ٤,٠٢٦.٨ million as of 31 December 2025 (31 December 2024: ﷲ 4,045.9 million).
- 16.5** On 29 August 2024, one of the Group’s subsidiaries entered into a refinancing agreement, where interest rates, counter party and terms of the facility were amended. Under the refinancing arrangement, the obligations to the lender were extinguished and new obligations under the revised refinancing structure were established. As a result of the refinancing and amendments thereon, liability associated to old facility prior to 29 August 2024 were derecognized and a new facility is recognized in line with the refinancing terms.
- 16.6** During the year ended 31 December 2025, one of the Group’s subsidiaries refinanced its outstanding ﷲ 1,766.25 million floating-rate senior debt through the issuance of ﷲ 1,237.5 million amortising bonds and the arrangement of a ﷲ 375.0 million floating-rate commercial facility. The bond issuance comprised ﷲ 862.5 million fixed-rate and ﷲ 375.0 million floating-rate amortising bonds, with final maturities ranging between September 2045 and December 2046. For the purpose of the bond issuance, a dedicated special purpose vehicle (SPV) was established. All proceeds raised by the SPV were advanced to the subsidiary on a back-to-back basis under terms that mirror those of the issued bonds.

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17 EMPLOYEE END OF SERVICE BENEFITS' LIABILITIES

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

	31 Dec 2025	31 Dec 2024
Balance at beginning of the year	252,741	211,298
Charge for the year recorded in profit or loss	118,816	71,119
Loss on re-measurement of defined benefit liability (OCI)	(12,398)	10,223
Paid during the year	(29,893)	(39,899)
Balance at end of the year	<u>329,266</u>	<u>252,741</u>

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

	2025	2024
Interest cost	9,013	7,551
Current service cost	109,803	63,568
Total	<u>118,816</u>	<u>71,119</u>

17.3 The principal actuarial assumptions used are as follows:

	2025	2024
Discount rate	4.75%	5.10%
Increments	6.77%-7.52%	5.55% - 7.85%
Withdrawal rate		
From 19 – 25 years	17%	15%
from 26 – 54 years	21%	25%
from 55 – 70 years	26%	35%

17.4 Sensitivity analysis

		<i>Increase (decrease)</i>	
	<i>Change (bps)</i>	<u>31 Dec 2025</u>	<u>31 Dec 2024</u>
Discount rate	+100	(9,425)	(6,117)
	- 100	11,166	6,600
Increments	+100	12,001	7,256
	- 100	(10,400)	(6,858)

18 DEFERRED REVENUE

	Note	2025	2024
Balance as of 1 January		316,468	390,057
Deferred / transferred during the year		656,614	584,013
Recognised during the year		(436,293)	(657,602)
Balance as of 31 December		536,789	316,468
Less: current portion	19	(363,833)	(146,402)
Non-current portion at end of the year		<u>172,956</u>	<u>170,066</u>

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.

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19 ACCOUNTS PAYABLES, ACCRUALS AND OTHER FINANCIAL LIABILITIES

	<i>Note</i>	As of 31 Dec 2025	As of 31 Dec 2024
Accounts payable		1,121,632	1,222,071
Accrued expenses and other liabilities		2,322,277	1,129,755
Reinsurance liabilities and premiums payable	19.1	220,283	373,669
Salaries and benefits payable		348,825	377,066
Deferred revenues	18	363,833	146,402
Other financial liabilities	7.1.2	98,682	109,905
Value added tax payable		28,465	36,404
Accrued financial charges on letters of guarantee and loans		68,600	38,518
Lease liabilities		24,437	12,692
Dividend payable		20,344	45,803
Others		16,474	8,970
		4,633,852	3,501,255

19.1 The balance represents reinsurance liabilities and premiums payable of a wholly 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 ₪ 328.9 million (31 December 2024: ₪ 317.0 million). The facilities carry variable rate of interest between 4.25% - 5.60% (2024: 3.50% - 7.10%) per annum.

21 ZAKAT AND TAXATION

21.1 Amounts recognised in profit or loss

	<i>Note</i>	2025	2024
Zakat *	21.2, 21.3	(137,446)	(101,984)
Current tax *		(99,560)	(44,808)
Deferred tax credit**	21.4	79,486	87,833
Zakat and tax charge reflected in profit or loss		(157,520)	(58,959)

* Zakat and tax charge for the year 2025 includes provision for prior-year assessments amounting to ₪ 37 million (2024: ₪ Nil).

** Deferred tax credit for the 2025 includes a favorable impact of foreign exchange movements amounting to ₪ 114 million (2024: ₪ 8.3 million) relating to the Group's subsidiaries in Morocco, whereby foreign currency denominated assets and liabilities are carried in local currency for tax base purposes.

21.2 Significant zakat and tax assessments

The Company

The Company has filed zakat and tax returns for all the years up to 2024. The Company has closed its position with the Zakat, Tax & Customs Authority (the "ZATCA") until year 2018. The ZATCA recently concluded the Zakat assessment for 2021 and 2022 with an adjustment of ₪ 31.9 million and ₪ 11.6 million, respectively. The Company has partially accepted adjustments under protest and is in the process of filing an appeal against the assessments. The Company has made a provision of ₪ 21.8 million for this assessment. The audits for the year 2023 & 2024 are ongoing.

Subsidiaries and equity accounted investees:

Given the Group's multinational footprint, subsidiaries and associates are subject to varied and complex tax and zakat regulations across multiple jurisdictions, including the Kingdom of Saudi Arabia ("KSA").

Certain subsidiaries and associates have received assessments from ZATCA and other tax authorities, resulting in additional liability of ₪ 7.2 million (ACWA share is ₪ 6.6 million). As of 31 December 2025, the management has recognised provisions of ₪ 2.1 million (ACWA share is ₪ 1.5 million) against these assessments where appropriate. Currently, these subsidiaries and associates have lodged objections against these assessments before the appellate authorities. Management believes that adequate provisions been recognised and anticipates no further liabilities arising from these assessments once they are finalized.

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21 ZAKAT AND TAXATION (CONTINUED)

21.2 Significant zakat and tax assessments (continued)

Other aspects

The Group meets the revenue threshold of EUR 750 million and is conducting operations in multiple jurisdictions, and is therefore within the scope of the OECD Pillar Two Global Minimum Tax framework.

Across relevant jurisdictions, management has undertaken Pillar Two assessments. A jurisdiction-by-jurisdiction summary is set out below:

- **KSA:** Pillar Two legislation has not yet been announced as at 31 December 2025.
- **UAE:** Cabinet Decision No. 142 of 2024 introduced a Domestic Minimum Top-up Tax effective 1 January 2025. Based on the Group's analysis, no additional top-up tax is expected due to transitional safe harbour.
- **Turkey, South Africa, Bahrain, Vietnam, Germany, Singapore, Thailand, Oman, Indonesia, Kuwait, Netherlands:** Each of these jurisdictions has enacted Qualified Domestic Minimum Top Up Taxes (QDMTT) and /or Income Inclusion Rule (IIR) and/ or Undertaxed Profits Rule (UTPR) rules applicable from 2024 or 2025. The Group has performed an assessment for each jurisdiction and concluded that, except for Bahrain (see below), no material additional tax liability is expected under Pillar Two.
- **Bahrain:** A QDMTT provision of ﷲ 3.6 million has been recognised for FY 2025, due to a change in law clause triggered in the project agreement.

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

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

21.3 Zakat and tax provision for the year

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

	2025	2024
Balance as of 1 January	188,277	194,095
Charge - for the current year	237,006	146,793
Payments	(171,995)	(152,611)
Balance as of the end of the year	253,288	188,277

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**	Recognised in OCI including currency translation differences	Net balance	Deferred tax assets	Deferred tax liabilities
2025						
Property, plant and equipment	(691)	(16,135)	(13,353)	(30,179)	-	(30,179)
Finance lease receivables	(133,878)	(28,871)	-	(162,749)	-	(162,749)
Unused tax losses*	236,489	127,526	-	364,015	364,015	-
Fair value of derivatives	(15,009)	-	2,848	(12,161)	-	(12,161)
End-of-service employee benefit liability	2,505	(3,651)	-	(1,146)	-	(1,146)
Accruals, provisions and others	(17,704)	617	(2,731)	(19,818)	-	(19,818)
	71,712	79,486	(13,236)	137,962	364,015	(226,053)
Net deferred tax asset / (liability)					364,015	(226,053)

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21 ZAKAT AND TAXATION (CONTINUED)

21.4 Deferred tax - Movement in deferred tax balances (Continued)

	Net balance at 1 Jan	Recognised in profit or loss**	Recognised in OCI including currency translation differences	As of 31 December		
				Net balance	Deferred tax assets	Deferred tax liabilities
<u>2024</u>						
Property, plant and equipment	1,728	(2,419)	-	(691)	-	(691)
Finance lease receivables	(126,522)	(7,356)	-	(133,878)	-	(133,878)
Unused tax losses*	93,980	142,509	-	236,489	236,489	-
Fair value of derivatives	(13,110)	-	(1,899)	(15,009)	-	(15,009)
End-of-service employee benefit liability	3,557	(1,052)	-	2,505	2,505	-
Accruals, provisions and others	30,214	(43,849)	(4,069)	(17,704)	-	(17,704)
	<u>(10,153)</u>	<u>87,833</u>	<u>(5,968)</u>	<u>71,712</u>	<u>238,994</u>	<u>(167,282)</u>
Net deferred tax asset / (liability)					<u>238,994</u>	<u>(167,282)</u>

*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.

** Deferred tax credit for the 2025 includes a favorable impact of foreign exchange movements amounting to ﷲ 114 million (2024: ﷲ 8.3 million) relating to the Group's subsidiaries in Morocco, whereby foreign currency denominated assets and liabilities are carried in local currency for tax base purposes.

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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.

		<i>Notional</i>		<i>Positive fair value</i>		<i>Negative fair value</i>	
		31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Hedged items	Hedging instruments						
Interest payments on floating rate loans	Interest rate swaps	10,902,090	9,826,334	471,636	1,353,100	(84,593)	(118,185)
Highly probable forecast transactions	Forward foreign exchange contracts	203,048	1,568,625	11,901	1,611	-	(63,568)
				483,537	1,354,711	(84,593)	(181,753)
Less: Current portion				79,203	305,693	(12,807)	(72,044)
Non-current portion				404,334	1,049,018	(71,786)	(109,709)

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.

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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, the key management personnel, and other entities which are controlled by the Company’s shareholders (“Affiliates”). Key management personnel represent directors, the Chief Executive Officer and his direct reports.

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

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

<i>Particulars</i>	<i>Note</i>	<i>Relationships</i>	<i>For the year ended</i>	
			2025	2024
<i>Transactions:*</i>				
Revenue		Joint ventures	3,134,043	2,778,425
Group services fees	28.1	Joint ventures	377,053	269,376
Finance income from shareholders loans	28	Joint ventures	262,856	199,734
Financial charges on loan from related parties	32	Affiliates	35,774	40,251
Key management personnel compensation				
Long-term incentive plan**		-	67,342	82,302
End of service benefits		-	2,109	4,744
Remuneration including director’s remuneration		-	79,847	57,550

* Other transactions with the Group’s equity accounted investees are disclosed in note 7.1.

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

	<i>Note</i>	<i>Relationships</i>	<i>As of</i>	
			31 Dec 2025	31 Dec 2024
<i>Due from related parties</i>				
<i>Current:</i>				
Hajar Two Electricity Company	(b), (d)	Joint venture	539,509	-
Al Mourjan Two Electricity Company	(b)	Joint venture	352,539	
Al Mourjan for Electricity Production Company	(a)	Joint venture	228,266	115,999
Noor Energy 1 P.S.C.	(a)	Joint venture	223,352	131,245
ACWA Power Sirdarya	(a)	Joint venture	178,011	113,384
Hajr for Electricity Production Co.	(a)	Joint venture	150,734	208,011
ACWA Power Solarreserve Redstone Solar TPP	(a), (d)	Joint venture	116,281	44,671
Marafiq Red Sea for Energy	(a), (d)	Joint venture	91,915	78,515
Starah First Renewable Energy Company	(b)	Joint venture	85,113	-
Dhofar O&M Company LLC	(a)	Joint venture	75,783	113,935
Hassyan Energy Phase 1 P.S.C	(a), (d)	Joint venture	74,998	72,029
Ras Moheisen First Water Desalination Company	(d)	Joint venture	63,401	-
ACWA Power Solafrica Bokpoort CSP Power Plant (Pty) Ltd.	(a)	Joint venture	58,679	35,347
Shuqaiq Services Company for Maintenance	(a)	Joint venture	50,223	54,076
Shaqra First Renewable Energy Company	(b)	Joint venture	46,610	-
ACWA Power Bash Wind LLC	(a), (d)	Joint venture	44,611	46,573
Rabigh Electricity Co.	(a)	Joint venture	44,576	56,021
ACWA Power Dzhankeldy Wind LLC	(a), (d)	Joint venture	44,447	46,999
Ad-Dhahirah Generating Company SAOC	(a)	Joint venture	41,051	21,109
Haya Power & Desalination Company B.S.C	(a)	Joint venture	40,191	33,624
Sudair 1 Holding Company	(d)	Joint venture	39,685	39,497
Jazan Integrated Gasification and Power Company	(e)	Joint venture	38,381	38,186
ACWA Power Uzbekistan Wind Project Holding Company Ltd	(d)	Joint venture	36,064	35,834
Shinas Generating Company SAOC	(d)	Joint venture	35,335	34,744
AL Dur Power and Water Co BSC	(a)	Joint venture	31,140	-
Shuaibah Expansion Project Co.	(a)	Joint venture	29,867	11,544
Jazlah Water Desalination company	(a)	Joint venture	24,255	13,816
Shuaibah 3 Water Desalination Company	(a)	Joint venture	20,458	6,520
ACWA Power Bokpoort Holdings (Pty) Ltd	(a)	Joint venture	16,792	236
Taweelah RO Desalination Company LLC	(a)	Joint venture	15,109	17,447

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23 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

	<i>Note</i>	<i>Relationships</i>	<i>As of</i>	
			31 Dec 2025	31 Dec 2024
<i>Due from related parties</i>				
<i>Current:</i>				
Hassyan Water Company A P.S.C	(a)	Joint venture	14,712	2,614
Shuaa Energy 3 P.S.C.	(a)	Joint venture	14,670	25,001
ACWA Power Bash Wind Project Holding Company	(a)	Joint venture	14,485	-
ACWA Power Uzbekistan Project Holding Co	(d)	Joint venture	13,946	13,746
Naqa'a Desalination Plant LLC	(a)	Joint venture	12,543	13,967
Shuaibah Holding Company	(a)	Joint venture	10,111	4,411
Neom Green Hydrogen Company	(d)	Joint venture	8,982	56,564
Layla Solar Energy Company	(a)	Joint venture	7,579	12,408
Shuaibah Water & Electricity Co. Ltd	(a)	Joint venture	6,945	30,972
Ar Rass Solar Energy Company	(a)	Joint venture	5,649	15,708
Remal Energy Company	(b)	Joint venture	3,629	144,825
Naseem Energy Company	(b)	Joint venture	3,055	144,825
Other related parties	(a)	Joint venture	163,443	117,823
			3,117,125	1,952,226

	<i>Note</i>	<i>Relationships</i>	<i>As of</i>	
			31 Dec 2025	31 Dec 2024
<i>Due to related parties</i>				
<i>Non-current:</i>				
Water and Electricity Holding Company CJSC	(g)	Affiliate	841,627	805,853
Loans from minority shareholders of subsidiaries	(c)	-	84,507	84,049
			926,134	889,902
<i>Current:</i>				
Loans from minority shareholders of a subsidiary	(c)	-	47,003	43,675
ACWA Power Africa Holdings (Pty) Ltd	(f)	Joint venture	10,303	11,978
ACWA Guc Isletme Ve Yonetim Sanayi Ve Ticaret		Joint venture	12,269	-
Others		Joint ventures	29,416	24,097
			98,991	79,750

- (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 represents shareholder advance against limited notice to proceed ("LNTPs") agreement signed between project company and EPC contractors to initiate construction activities.
- (c) This includes:
- Loan payable to non-controlling shareholders of ACF Renewable Energy Limited amounting to ₪ 47 million (2024: ₪ 43 million). The loans are due for repayment in 2027 and carry profit rate at 5.75% per annum; and
 - Loan payable to non-controlling shareholders of Qara Solar Energy Company amounting to ₪ 85.9 million (2024: ₪ 79.9 million). The loans are due for repayment in 2028 and carry profit rate at SOFR + 1.3% per annum.
- (d) These balances represent advances, receivables (on account of development services) or other fundings provided to related parties that has no specific repayment.
- (e) 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.
- (f) This represents amounts payable to an equity accounted investee in respect of project development cost.

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23 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

- (g) During 2020, the Group declared a one-off dividend of ﷲ 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 ﷲ 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 2025, ﷲ 35.7 million (2024: ﷲ 34.2 million) finance charge was amortised on the outstanding loan balance. Further the group has extended guarantee commitment to lenders on behalf of the Shareholder for certain projects that might be called in lieu of settlement of this loan.

24 OTHER LIABILITIES

Other liabilities as reported in the consolidated statement of financial position includes:

	<i>Note</i>	As of 31 Dec 2025	As of 31 Dec 2024
Asset retirement obligations (“ARO”)	24.1	221,190	209,632
Liabilities in relation to debt buy-out	7.1.2	125,475	233,553
Long-term incentive plan	24.2	53,507	80,152
Liabilities in relation to long-term spares agreement		31,878	38,128
Lease liabilities		149,184	68,205
Put options		7,731	2,760
		588,965	632,430

24.1 The movement of asset retirement obligations is as follows:

	2025	2024
Balance at beginning of the year	209,632	231,012
Recognised during the year, net	10,015	(22,701)
Unwinding of interest	1,543	1,321
Balance at end of the year	221,190	209,632

24.1.1 Sensitivity Analysis of ARO Provision to Key Assumptions:

During the year ended 31 December 2024, the group conducted a revaluation exercise for assessment of ARO for its subsidiary project entity. The ARO provision is sensitive to changes in the key assumptions used in its measurement. The table below shows the impact on the provision for asset retirement obligations of changes in these assumptions:

Assumption	Change	Impact on ARO Liability
Discount Rate	+1%	(18,796)
	-1%	22,849
Estimated Decommissioning Date	+1 year	1,599
	-1 year	(1,755)
Estimated Future costs	+5%	6,356
	-5%	(6,356)

Discount Rate Sensitivity: 1% increase in the discount rate would reduce the ARO provision, as future cash flows would be discounted at a higher rate. Conversely, a 1% decrease in the discount rate would increase the provision, as the present value of future cash flows would rise.

Decommissioning Date Sensitivity: If the decommissioning date is delayed by one year, the provision would increase, as the future cash flows would be spread over a longer period. Conversely, advancing the decommissioning date by one year would decrease the provision.

Future Costs Sensitivity: A 5% increase in the estimated future decommissioning costs would result in a proportional increase in the provision. Similarly, a 5% decrease in the estimated future costs would reduce the provision.

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24 OTHER LIABILITIES (CONTINUED)

- 24.2** 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 ﷲ 67.3 million (2024: ﷲ 82.3 million) has been recognised within general and administration expenses.

The Company has an equity-based incentive scheme for select key employees. In accordance with the terms of the plan, as approved by shareholders at a previous annual general meeting, select key employees of the Group may be granted shares.

The number of shares granted is calculated in accordance with the performance-based formula approved by shareholders at the previous annual general meeting and is subject to approval by the remuneration committee. The formula rewards employees to the extent of the Group’s and the individual’s achievement judged against both qualitative and quantitative criteria.

No amounts are paid or payable by the recipient on grant of shares and the vesting period is three years. Details of the share granted during the year are as follows:

	2025		2024	
	Number of shares	Fair value of shares (ﷲ)	Number of shares	Fair value of shares (ﷲ)
Opening	208,289	97,022,365	-	-
Granted during the year	265,893	77,121,204	261,893	121,545,603
Forfeited during the year	(8,733)	(4,453,380)	(15,825)	(6,989,851)
Vested during the year	(99,254)	(39,157,323)	(37,779)	(17,533,387)
	366,195	130,532,866	208,289	97,022,365

The fair value of each share was ﷲ 290 (2024: ﷲ 464.5). In 2025, 265,893 shares (2024: 261,893 shares) were granted on 13 May 2025 (2024: 23rd April 2024). The total fair value of the shares granted on those dates is ﷲ 77.12 million (2024: ﷲ 121.54 million).

During the year, Tranche 2 shares of 2023 cycle and Tranche 1 of 2024 cycle have vested, due to the selected employees completing the second and first year of service respectively. Forfeited shares represent shares forfeited from the employees who left the organization before the granted shares were vested.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group’s estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

The weighted average share price at the date of exercise for the shares exercised during the period was ﷲ 290.1. The shares outstanding on 31 December 2025 had a weighted average price of ﷲ 348.01, and a weighted average remaining contractual life of 1 year.

The Group recognised total expenses, net of ﷲ 31.3 million related to equity-settled share-based payment transactions during the year.

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25 REVENUE

	<i>Note</i>	2025	2024
Sale of electricity			
Development and construction management services		1,315,919	683,362
Capacity charges under the lease	25.3	933,918	858,170
Energy output services		558,169	372,004
Finance lease income	8.1	293,390	327,700
Operation and maintenance		2,508,627	2,314,793
		5,610,023	4,556,029
Sale of water			
Development and construction management services		91,313	52,200
Capacity charges under the lease	25.2, 25.3	981,500	969,435
Water output services	25.2	192,699	296,730
Finance lease income	8.1	97,341	99,928
Operation and maintenance		414,088	315,962
		1,776,941	1,734,255
Other services	25.1	26,537	7,014
		7,413,501	6,297,298
		2025	2024
Operating lease		1,915,418	1,807,885
Finance lease		390,731	427,628
Lease Component		2,306,149	2,235,513
Non-Lease Component		5,107,352	4,061,785
		7,413,501	6,297,298
<i>Revenue by Energy Source</i>			
		2025	2024
Natural Gas		2,702,311	2,614,650
Heavy Fuel Oil		1,333,766	1,334,292
Solar		1,865,570	1,486,783
Wind		562,084	42,648
Electricity		923,233	811,910
Others		26,537	7,014
		7,413,501	6,297,297

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 ﷻ 396.3 million during the year (2024: ﷻ 398.6 million).

25.3 This represents revenue in relation to the Group's operating lease assets.

26 OPERATING COSTS

	<i>Note</i>	2025	2024
Direct material cost and station operating cost		1,404,665	1,001,203
Staff cost		763,678	627,101
Depreciation	5.3	552,883	481,351
Operating and technical fee		328,500	382,593
Direct insurance cost		74,565	75,756
Natural gas and fuel cost		254,664	242,002
Other direct overheads		269,978	156,702
		3,648,933	2,966,708

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27 GENERAL AND ADMINISTRATION EXPENSES

	<i>Note</i>	2025	2024
Salaries and other employee benefits		1,064,966	1,023,054
Professional and legal fees		326,862	205,211
Travel expenses		91,575	75,313
Impairment (reversal) / allowance	27.1	(53,143)	156,844
Communication, subscription, sponsorship and public relations costs		48,396	54,984
Provision for long-term incentive plan	24.2	67,342	82,302
Depreciation expense	5.3	34,428	32,611
Amortisation of intangible assets	6.2	26,815	8,996
Utilities expenses		20,529	20,178
Directors' remuneration		17,904	16,903
Repairs and maintenance expenses		5,760	2,364
Others		128,687	71,475
		<u>1,780,121</u>	<u>1,750,235</u>

27.1 Impairment (reversal) / allowance for the year in relation to:

- Trade receivables and related party balances reversal amounting to ₪ 36.2 million (2024: charge of ₪ 145.6 million);
- Inventories reversal amounting to ₪ 6.9 million (2024: charge of ₪ 7.7 million); and
- Other assets reversal amounting to ₪ 10 million (2024: charge of ₪ 3.5 million)

28 OTHER OPERATING INCOME

	<i>Note</i>	2025	2024
Group services	28.1	377,053	269,376
Finance income from shareholder loans	23	262,856	199,734
Performance liquidated damages and insurance recovery	28.2, 30.1.1	661,839	60,505
		<u>1,301,748</u>	<u>529,615</u>

28.1 Group services amounting to ₪ 377.1 million (2024: ₪ 269.3 million) relates to management advisory, and ancillary support provided by the Group to its various equity accounted investees.

28.2 During the year, one of the Group's subsidiaries settled ₪ 318 million (31 December 2024: ₪ 60.5 million) claim with the EPC contractor, related to delays and performance issues during the project's commissioning and early operations. Further, the subsidiary has also finalised an insurance claim of ₪ 246 million (31 December 2024: Nil) covering historical losses incurred by it due to the plant performance issues.

29 OTHER INCOME

	<i>Note</i>	2025	2024
Delayed liquidity damages recovery		-	11,805
Gain on disposal of PPE	9.3	42,188	10,172
Others		40,060	25,824
		<u>82,248</u>	<u>47,801</u>

30 IMPAIRMENT REVERSAL, NET AND OTHER EXPENSES

30.1 IMPAIRMENT (LOSS) / REVERSAL, NET

	<i>Note</i>	2025	2024
Impairment loss	30.1.1, 28.2	(404,387)	(191,662)
Impairment reversal	30.1.2	-	282,735
Total Impairment (loss) / reversal, net		<u>(404,387)</u>	<u>91,073</u>

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30 IMPAIRMENT REVERSAL, NET AND OTHER EXPENSES (CONTINUED)

30.1 IMPAIRMENT (LOSS) / REVERSAL, NET (Continued)

30.1.1 During the year, one of the Group's subsidiaries reassessed the recoverability of its finance lease receivables, which required revising certain critical generation assumptions of the plant. The subsidiary also incurred capital expenditure for the construction of a new molten salt tank, which was assessed to be fully impaired as at 31 December 2025. As a result, a total impairment charge of ﷻ 404.4 million was recognised in the current year (2024: ﷻ 191.6 million related to loss of generation).

30.1.2 During 2024, one of the group's subsidiary, Barka SAOG (Barka) entered into a Power and Water Purchase Agreement (PWP) with the off-taker which includes power plant for 8 years and 9 months and multi-stage flash evaporator (MSF) water plant for 3 years term with extension option at Oman Power and Water Procurement (OPWP) discretion for a further term of 3 years and another term of 2 years and 9 months (total 8 years and 9 months term). Accordingly, Barka has identified these as indicators for impairment reversals on Power Plant and MSF. The Company has internally estimated the recoverable amount for the Power Plant, MSF Plant based on value-in-use computation.

The Company assessed its future cash flows from each cash generating unit and carried out an impairment exercise as at 31 December 2024 as required by IAS 36 Impairment of Assets. Future cash flows were discounted and impairment testing was performed. The recoverable value i.e. ﷻ 571.5 million was estimated based on value-in-use method as it reflects more accurately the manner in which the economic benefits embodied in the asset expected to be realised by the Company. Power plant and MSF operations for 8 years and 9 months and 6 years respectively have been considered to determine their recoverable values as per management best estimates. All future cash flows were based on management's best estimate discounted at a post-tax rate of 8.1% in assessing the Net Present Value (NPV) of future cash flows. Based on the conditions and the assessment, the Company has recognised a reversal of ﷻ 282 million on power plant and MSF.

30.2 OTHER EXPENSES, NET

	<i>Note</i>	2025	2024
Arbitration / legal claim and supplier settlement expense	30.2.1	-	15,998
Corporate social responsibility	30.2.2	36,331	46,164
		36,331	62,162

30.2.1 This includes provisions / expenses pertaining to potential legal claims; arbitration settlements; and supplier's settlements on account of procurement cancellation.

30.2.2 During the year 2025, the Group contributed ﷻ 36.3 million (2024: ﷻ 46.2 million) in various countries including Saudi Arabia primarily to support education and related infrastructure, and other social responsibilities. In addition to this, in the upcoming 5 years, the Group has a commitment to contribute ﷻ 75 million towards corporate social responsibility initiatives in Uzbekistan.

31 EXCHANGE GAIN / (LOSS), NET

	2025	2024
Realised exchange (loss) / gain	(3,612)	2,742
Unrealised exchange gain / (loss)	86,317	(3,302)
	82,705	(560)

32 FINANCIAL CHARGES

	<i>Note</i>	2025	2024
Financial charges on borrowings		1,653,414	1,175,227
Financial charges on letters of guarantee		52,441	54,842
Financial charges on loans from related parties	32.1	35,774	40,251
Other financial charges		14,607	74,789
Cashflow hedges reclassified from OCI	32.2	(284,022)	(15,491)
	32.3	1,472,214	1,329,618

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32 FINANCIAL CHARGES (CONTINUED)

- 32.1** This includes discount unwinding, on long-term related party balances amounting to ﷲ 35.7 million (2024: ﷲ 34.2 million).
- 32.2** The Group enters into derivative contracts to hedge the risks associated with interest rate fluctuations and foreign currency exposures. Initially, these derivative contracts were designated as cash flow hedges. Consequently, changes in the fair value of these derivatives were recorded in the Other Comprehensive Income (OCI) hedge reserve. Subsequently, when these hedge accounting relationships are discontinued, the cumulative balance recognised in OCI hedge reserve is recycled to the consolidated statement of income within Other Income, net. During the year ended 31 December 2025, the Group has recognised a net income amounting to ﷲ 284 million (31 December 2024: ﷲ 15.5 million).
- 32.3** Total financial charges include ﷲ 594.7 million (2024: ﷲ 679.0 million) in relation to Islamic financing facilities.

33 EARNINGS PER SHARE

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

	31 Dec 2025	31 Dec 2024
Issued ordinary shares as at 1 January	732,562	731,100
Weighted average number of ordinary shares outstanding during the year ended	749,514	737,061
Weighted average number of ordinary shares for the purpose of diluted earnings per share	750,366	737,913

- 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	1,852,225	1,757,057
Earnings per share to equity holders of the Parent (ﷲ)		
- Basic – restated (note 14.4.1)	2.47	2.38
- Diluted – restated (note 14.4.1)	2.47	2.38

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34 ACQUISITIONS AND DIVESTMENTS

34.1 During the years ended 31 December 2025 and 31 December 2024, the Group entered into Sale and Purchase Purchase Agreements (“SPAs”) to acquire equity interests in certain entities incorporated in the People’s Republic of China, at various points during the reporting period. Management assessed these transactions and concluded that they do not meet the definition of a business combination under IFRS 3 – Business Combinations, and therefore qualify as asset acquisitions. Accordingly, the acquisitions have been accounted for in accordance with the IFRS requirements applicable to asset acquisitions, and these assets have accordingly been consolidated in the Group’s financial statements, as property, plant and equipment (“PPE”) representing the primary component of the assets acquired. These assets have been recognized at cost, being the consideration transferred, and are subsequently measured at cost less accumulated depreciation and impairment losses, in accordance with the Group’s accounting policies.

The table below summarizes the acquired entities, together with the effective shareholding, identifiable net assets acquired, and the consideration transferred.

Investee Company	Date of Acquisition	Effective Shareholding %	Total Assets at acquisition	Total Liabilities at acquisition	Share of acquired net assets	Transaction price
Yanghe New Energy Power Generation Co. Ltd	28-March-2025	85%	154,595	125,704	24,557	22,678
Yangbu New Energy Technology Co. Ltd	28-March-2025	85%	112,219	91,270	17,807	16,428
Yanggong New Energy Tech. Co. Ltd	28-March-2025	85%	127,193	101,946	21,460	19,860
Xinyang Mingshang New Energy Co. Ltd	30-September-2025	100%	379,500	306,900	72,600	72,600
Boli County Runfeng New Energy Co., Ltd	29-December-2025	100%	605,302	421,199	184,103	192,445
Xinyang Mingxi new energy Co.	27-December-2024	100%	400,700	319,800	80,900	80,900

34.2 During the year ended 31 December 2025, the Group entered into a Sale and Purchase Agreement (“SPA”) to acquire equity interests in certain entities in Kuwait and Kingdom of Bahrain. The acquired entities own gas-fired power generation (4.6GW), water desalination (1,114k m3/day) and related Operations and Maintenance companies. The acquisition was executed through newly created HoldCos under ACWA for an aggregate transaction consideration of ﷲ 1,813 million. The transaction for Bahraini and Kuwaiti parameter was concluded on 30 November 2025 and 31 December 2025 respectively following satisfaction of all conditions precedents (“CPs”) stipulated in the SPA.

Management assessed the transaction and concluded that it qualifies as a business combination as defined by IFRS 3. Resultantly, the respective control assessments were performed for each of the acquired entity and were classified as per the requirements of applicable IFRS standards as either a subsidiary or Joint Venture (“JV”).

The fair value the acquired entities was determined using the discounted cash flow (“DCF”) methodology, based on the expected future operational cash flows of the underlying businesses. The total consideration transferred was assessed to be consistent with the fair value of the identifiable net assets acquired, as summarized below. Consequently, no goodwill or Bargain Purchase gain has been recognized as a result of this transaction in these consolidated financial statements.

However, in case of Al Ezzel O&M Company, the management assessed the book value of the assets in comparison to the fair valuation, and accordingly has recognised an intangible amounting to ﷲ 297.8 million, representing contractual rights. This intangible asset will be amortized over the remaining contract term in accordance with the applicable IFRS requirements.

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34 ACQUISITIONS AND DIVESTMENTS (CONTINUED)

The below table summarises the classification of each of the entity, along with their assessed fair values.

Entity	Effective Shareholding %	Region	Entity Type	Classification in consolidated financial statements	Fair value at the acquisition date	Net assets at the acquisition date	Purchase Price Allocation
Hidd Power Company BSC	30%	Kingdom of Bahrain	Project Company	Equity Accounted Investee	244,019	306,971	62,952
Al Ezzel Power Company BSC	45%	Kingdom of Bahrain	Project Company	Equity Accounted Investee	180,968	237,835	56,867
Al Dur Holding Company Limited *	45%	Kingdom of Bahrain	Holding Company	Equity Accounted Investee	-	-	-
Al Dur Power and Water Company BSC	45%	Kingdom of Bahrain	Project Company (This entity is a subsidiary of Al Dur Holding Company Limited)	Subsidiary of Equity Accounted Investee	376,792	674,635	297,843
Al Ezzel O&M Company WLL	100%	Kingdom of Bahrain	Operations and Maintenance Company	Subsidiary	394,828	98,155	(296,673)
AZN Dutch HoldCo 1 BV * **	100%	Kuwait	Holding Company	Subsidiary	-	-	-
AZN Dutch HoldCo 2 BV * **	100%	Kuwait	Holding Company	Subsidiary	-	-	-
Azour North One KSC Holding Co *	43.75%	Kuwait	Holding Company	Equity Accounted Investee	-	-	-
Shamal Az Zour Al Oula	17.50%	Kuwait	Project Company (This entity is a subsidiary of Azour North One KSC Holding Co.)	Subsidiary of Equity Accounted Investee	232,229	291,168	58,938
AZN O&M Company WLL	50%	Kuwait	Operations and Maintenance Company	Equity Accounted Investee	383,952	29,597	(354,355)
Total					1,812,788	1,638,361	(174,428)

* These entities are holding companies for the projects underneath, hence no fair value has been assigned to these entities.

** These entities are incorporated in Netherlands, as holding companies for Az Zour North one KSC Holding Co.

34.3 On 24 December 2025, the Group entered into a Sale and Purchase Agreement (“SPA”) to acquire the entire stake owned by Water and Electricity Holding Company “Badeel” (a subsidiary of the Public Investment Fund “PIF”) in the Shuaibah Water and Electricity Company (“SWE”) representing 32% of the share capital (900 MW of power generation capacity and 880,000m3/day of desalinated water capacity) for a total consideration price of ₪ 843.32 million. This transaction will result in an increase in the Group’s effective ownership in SWE from 30% to 62%. The completion of the transaction is subject to satisfaction of certain condition precedents (“CPs”) as highlighted in the SPA.

34.4 On 7 July 2023, ACWA (through its wholly owned subsidiary) entered into a Sale Purchase Agreement for the sale of a 35% stake in its wholly owned subsidiaries, ACWA Power Bash Wind Project Holding Company and ACWA Power Uzbekistan Wind Project Holding Company Limited (“the Investee Companies”). This translates to divestment of 35% effective shareholding in Bash Wind and Dzhanekdy projects (“the Projects”) respectively. All substantive condition precedents (“CPs”) in relation to the transaction were completed before the issuance of December 2024 consolidated financial statements.

As a result of the transaction, ACWA had resultantly achieved joint control of the decisions for the relevant activities that most significantly affect the returns of the Investee Companies together with the Projects. Consequently, ACWA lost control and recognised the resulting gain of ₪ 401.7 million in the consolidated statement of profit or loss within gain from divestments during December 2024. As of the date of loss of control, ACWA has started to account for the investee Companies using the equity method of accounting in accordance with the requirements of IFRS 11 – Joint Arrangements.

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35 CONTINGENCIES AND COMMITMENTS

As of 31 December 2025 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 ﷲ 25.83 billion (31 December 2024: ﷲ 22.13 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 2025	As of 31 Dec 2024
Guarantees in relation to equity bridge loans and equity LCs *	12,659,200	10,600,307
Guarantees on behalf of joint ventures	98,852	210,226
Debt service reserve account ("DSRA") standby LCs	1,932,483	1,469,206
Guarantees for funded facilities of joint ventures	41,662	23,311
Financial Obligations	14,732,197	12,303,050
Performance / development securities and completion support Letters of Credit ("LCs")	7,279,377	6,447,535
Guarantees on behalf of joint ventures	3,572,647	3,186,016
Bid bonds for projects under development stage	245,896	189,795
Performance Obligations	11,097,920	9,823,346
Total Contingencies and Commitments	25,830,117	22,126,396

* This primarily represents the Group's equity commitments towards joint ventures (the "Investees"). In addition to this the Group's other future equity commitments towards the Investees amounts to ﷲ 9.68 billion (2024: ﷲ 4.37 billion).

The group has issued performance and development bonds besides completion support letters of credit. These commitments are customary in the industry and are primarily issued to the offtakers to backstop the project development and execution obligations.

This risk is mitigated with the project companies being the beneficiary of various bonds and parent company guarantees from the EPC contractors. The value of these performance bonds is generally in excess of the amount of the securities and letters of credit issued by the group, thus ensuring adequate risk protection.

The Group also has a loan commitment amounting to ﷲ 354.8 million in relation to mezzanine debt facilities ("the Facilities") taken by a Group's equity accounted investee. This loan commitment arises due to symmetrical call and put options entered in by the Group with the lenders of the facilities.

There is a formal dispute between one of the project companies and its EPC Contractor relating to certain claims amounting to ﷲ 487.5 million (ACWA share ﷲ 195.0 million). As the matter is currently subject to arbitration and the outcome can't be determined as of 31 December 2025 because the decision is awaited, therefore the group has not recorded any provisions. The Group will continue to monitor the progress of the arbitration until a final decision is reached.

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 Group has adequately provided for all such claims, where appropriate.

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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 optimize). These plants include IPPs (Independent Power Plants), IWPPs (Independent Water and Power Plants) and IWPs (Independent Water Plants).
- (ii) Renewables This includes the Group's business line which comprises of PV (Photovoltaic), CSP (Concentrated Solar Power), Wind plants and Hydrogen. The segment includes all four parts of the business cycle of the business line (i.e., develop, invest, operate and optimise).
- (iii) Others This includes the results of the ACWA Power reinsurance business.

Key indicators by reportable segment

Revenue

	2025	2024
(i) Thermal and Water Desalination	4,960,061	4,857,386
(ii) Renewables	2,427,654	1,433,634
(iii) Other	25,786	6,278
Total revenue	7,413,501	6,297,298

Operating income before impairment and other expenses

	2025	2024
(i) Thermal and Water Desalination	2,641,516	2,924,811
(ii) Renewables	1,816,885	1,166,565
(iii) Others	15,988	4,808
Total	4,474,389	4,096,184

Unallocated corporate operating income / (expenses)

General and administration expenses	(1,078,527)	(1,181,270)
Depreciation and amortization	(23,128)	(28,414)
Provision for long-term incentive plan	(67,342)	(82,302)
Provision reversal on due from related party	4,801	12,593
Other operating income	283,712	166,199
Total operating income before impairment and other expenses	3,593,905	2,982,990

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36 OPERATING SEGMENTS (CONTINUED)

Key indicators by reportable segment (continued)

Segment profit

	<u>Note</u>	<u>2025</u>	<u>2024</u>
(i) Thermal and Water Desalination		1,997,830	2,518,357
(ii) Renewables		1,349,531	893,582
(iii) Others		20,148	7,358
Total		3,367,509	3,419,297

Reconciliation to profit for the year

General and administration expenses		(1,078,527)	(1,181,270)
Arbitration claim expenses and others	30.2.1	-	(15,998)
Impairments in relation to subsidiaries	30.1.1	(404,387)	(191,662)
Provision for long-term incentive plan	24.2	(67,341)	(82,302)
Corporate social responsibility contribution	30.2.2	(36,332)	(46,164)
Provision reversal on due from related party		4,801	12,593
Discounting impact on loan from shareholder subsidiary	23 (g)	(35,774)	(34,251)
Depreciation and amortization		(23,128)	(28,414)
Other operating income		283,712	166,199
Other income		65,136	(116,970)
Income in relation to discontinuation of hedging instruments		284,022	15,491
Financial charges and exchange loss, net		(207,233)	109,928
Zakat and tax charge		(91,854)	(38,641)
Profit for the year		2,060,604	1,987,836

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	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Kingdom of Saudi Arabia	4,126,970	3,332,754	26,037,729	24,638,922
Middle East and Asia	2,654,333	2,348,875	17,242,932	12,104,577
Africa	632,198	615,669	10,406,708	8,755,050
	7,413,501	6,297,298	53,687,369	45,498,549

Information about major customers

During the year, one customer (2024: one) 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	
	<u>2025</u>	<u>2024</u>
Customer A	1,162,664	1,168,587

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

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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, interest rate risks and other price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by senior management. The most important types of risk are summarised below.

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.

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

	<i>Note</i>	As of 31 Dec 2025	As of 31 Dec 2024
Balances with banks	12,13	8,163,580	4,082,381
Fair value of derivatives	22	483,537	1,354,711
Net investment in finance lease	8	11,127,100	11,125,001
Trade accounts receivable	11	1,753,510	2,313,200
Due from related parties	23	3,117,125	1,952,226
Insurance receivables	11.2	210,818	345,859
Other financial assets		43,234	58,494
		24,898,904	21,231,872

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 represents receivable of Group's subsidiaries in Morocco and Kingdom of Saudi Arabia from the off-taker 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 off-taker ranges from BB+ and above.

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 2025	As of 31 Dec 2024
United Arab Emirates ("UAE") and other countries	677,015	696,178
Kingdom of Saudi Arabia ("KSA")	536,424	1,135,005
Morocco (covered by government letter of support)	290,950	269,689
Hashemite Kingdom of Jordan (covered by government guarantee)	138,752	99,372
Republic of Uzbekistan	46,743	11,756
Sultanate of Oman (covered by government guarantee)	39,369	99,262
People's Republic of China	14,247	-
Others	10,010	1,938
	1,753,510	2,313,200

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37 FINANCIAL RISK MANAGEMENT (CONTINUED)

37.1 Credit risk (continued)

The customers in KSA, UAE and other countries are transacting with the Group for a few years and historically, the Group has suffered no material write-offs 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 2025	As of 31 Dec 2024
Neither past due nor impaired	534,700	248,339
Past due 1-90 Days	677,299	1,435,092
Past due 91-180 Days	85,508	19,919
Past due 181-360 Days	43,757	37,604
More than 360 Days	412,246	572,246
	<u>1,753,510</u>	<u>2,313,200</u>

The Group considers a trade receivable to be in default when:

- The debtors are unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- The trade receivable is due for more than four years.

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:

	2025	2024
Opening balance at 1 January	291,567	144,513
Impairment (reversal) / charge	(52,094)	147,054
Closing balance at 31 December	<u>239,473</u>	<u>291,567</u>

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 reinsurer's 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 retained an element of risk within its property reinsurance program with a maximum cap of USD 1.5 million per project for each and every event and in the aggregate for the relevant policy period for certain projects.

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37 FINANCIAL RISK MANAGEMENT (CONTINUED)

37.1 Credit risk (continued)

From 31 July 2021, ACWA-Re retained risk on certain reinsurance programs (operational property program), with a total combined maximum exposure of up to ﷲ 37.5 million during the policy period until 30 July 2022, with a sublimit of ﷲ 9.4 million per incident or claim. Effective 31 July 2022, the total combined maximum exposure on the operational property program has increased to ﷲ 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 ﷲ 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 2025, the Group had ﷲ 2,436.0 million (31 December 2024: ﷲ 2,061.0 million) remaining undrawn from its Revolving Corporate Murabaha Facility and other corporate revolver facilities.

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

<u>As of 31 December 2025</u>	<u>Carrying Amount</u>	<u>Total</u>	<u>No fixed maturity</u>	<u>Contractual cash flows</u>		
				<u>0-12 months</u>	<u>1-5 years</u>	<u>More than 5 years</u>
<i>Non-derivative financial liabilities</i>						
Short-term facilities	328,927	342,808	-	342,808	-	-
Term financing and funding facilities	30,318,537	40,066,132	-	3,115,906	20,101,455	16,848,771
Due to related parties	1,025,125	1,029,624	98,991	9,042	921,591	-
Other financial liabilities	4,285,028	4,285,028	4,285,028	-	-	-
	<u>35,957,617</u>	<u>45,723,592</u>	<u>4,384,019</u>	<u>3,467,756</u>	<u>21,023,046</u>	<u>16,848,771</u>
<i>Derivative financial liabilities</i>						
Interest rate swaps and currency forwards used for hedging	84,593	52,594	-	30,584	105,838	(83,828)

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37 FINANCIAL RISK MANAGEMENT (CONTINUED)

37.2 Liquidity risk (continued)

<u>As of 31 December 2024</u>	Carrying Amount	Total	No fixed maturity	<u>Contractual cash flows</u>		
				0-12 months	1-5 years	More than 5 years
<i>Non-derivative financial liabilities</i>						
Short-term facilities	317,054	332,082	-	332,082	-	-
Term financing and funding facilities	25,957,971	34,467,264	-	3,284,773	16,419,789	14,762,702
Due to related parties	969,652	1,071,583	79,750	7,497	83,336	901,000
Other financial liabilities	<u>3,124,189</u>	<u>3,124,189</u>	<u>3,124,189</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>30,368,866</u>	<u>38,995,118</u>	<u>3,203,939</u>	<u>3,624,352</u>	<u>16,503,125</u>	<u>15,663,702</u>
<i>Derivative financial liabilities</i>						
Interest rate swaps and currency forwards used for hedging	<u>181,753</u>	<u>220,433</u>	<u>-</u>	<u>72,394</u>	<u>102,800</u>	<u>45,239</u>

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	Cashflows	Exchange loss / unwinding of interest	Deconsolidation on loss of control	Other movements	As of 31 Dec
<u>2025</u>						
Financing and funding facilities	26,275,025	3,090,180	566,048	(243,750)	959,962	30,647,464
Dividends payable	45,803	(120,652)	-	-	95,193	20,344
Due to related parties	889,902	-	35,774	-	458	926,134
Other financial liabilities	2,760	-	-	-	4,971	7,731
Interest payable	38,518	(1,690,380)	-	-	1,720,462	68,600
Fair value of derivatives	181,753	-	-	-	(97,160)	84,593
<u>2024</u>						
Financing and funding facilities	25,479,886	1,136,790	206,072	(824,972)	277,249	26,275,025
Dividends payable	712	(450,307)	-	-	495,398	45,803
Due to related parties	854,938	-	34,251	-	713	889,902
Other financial liabilities	242,410	-	-	-	(239,650)	2,760
Interest payable	28,048	(1,294,388)	-	-	1,304,858	38,518
Fair value of derivatives	62,908	-	-	-	118,845	181,753

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.

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37 FINANCIAL RISK MANAGEMENT (CONTINUED)

37.3 Market risk (continued)

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), Chinese Yuan (CNY), South African Rand (ZAR) 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 (ﷻ)
As of 31 December 2025

	<u>EUR</u>	<u>MAD</u>	<u>CNY</u>	<u>ZAR</u>	<u>JPY</u>
Borrowings and other financial liabilities	2,846,763	1,963,427	1,242,687	594,117	6,360
Net investment in finance lease	(2,932,423)	(2,199,011)	-	-	-
Net position	<u>(85,660)</u>	<u>(235,584)</u>	<u>1,242,687</u>	<u>594,117</u>	<u>6,360</u>
Net exposure	<u>(85,660)</u>	<u>(235,584)</u>	<u>1,242,687</u>	<u>594,117</u>	<u>6,360</u>

As of 31 December 2024

Borrowings and other financial liabilities	2,702,454	1,901,675	277,249	499,446	18,778
Net investment in finance lease	(2,799,085)	(2,147,376)	-	-	-
Net position	<u>(96,631)</u>	<u>(245,701)</u>	<u>277,249</u>	<u>499,446</u>	<u>18,778</u>
Net exposure	<u>(96,631)</u>	<u>(245,701)</u>	<u>277,249</u>	<u>499,446</u>	<u>18,778</u>

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	
	<u>Strengthening</u>	<u>Weakening</u>	<u>Strengthening</u>	<u>Weakening</u>
<u>For the year ended 31 December 2025</u>				
EUR (5% movement)	(4,283)	4,283	-	-
MAD (5% movement)	(11,779)	11,779	-	-
JPY (5% movement)	318	(318)	-	-
CNY (5% movement)	62,134	(62,134)	-	-
ZAR (5% movement)	-	-	29,706	(29,706)
<u>For the year ended 31 December 2024</u>				
EUR (5% movement)	(4,832)	4,832	-	-
MAD (5% movement)	(12,285)	12,285	-	-
JPY (5% movement)	939	(939)	-	-
CNY (5% movement)	13,862	(13,862)	-	-
ZAR (5% movement)	-	-	24,972	(24,972)

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37 FINANCIAL RISK MANAGEMENT (CONTINUED)

37.3 Market risk (continued)

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 2025	As of 31 Dec 2024
Financial liabilities		
Fixed rate	11,203,850	10,011,908
Floating rate	19,114,686	15,946,064

The Group uses debt and equity to finance capital-intensive projects, with a significant portion of its debt being non-recourse. It actively manages floating interest rate exposure through hedging, with a policy to keep unhedged exposure below 30%.

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	
	<u>+ 100 bps</u>	<u>- 100 bps</u>	<u>+ 100 bps</u>	<u>- 100 bps</u>
<u>31 December 2025</u>				
Variable rate financial liabilities	(191,147)	191,147	(191,147)	191,147
Interest rate swaps	138,758	(138,758)	134,530	(134,530)
Net impact	(52,389)	52,389	(56,617)	56,617
<u>31 December 2024</u>				
Variable rate financial liabilities	(159,461)	159,461	(159,461)	159,461
Interest rate swaps	128,749	(128,749)	134,108	(134,108)
Net impact	(30,712)	30,712	(25,353)	25,353

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. The amendments did not result in any hedge ineffectiveness.

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.

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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.

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
<u>As of 31 December 2025</u>					
<i><u>Financial liabilities / (asset)</u></i>					
Fair value of derivatives used for hedging	(398,944)	-	(398,944)	-	(398,944)
Long-term financing and funding facilities	30,318,537	1,463,620	17,723,281	11,203,850	30,390,751
<u>As of 31 December 2024</u>					
<i><u>Financial liabilities</u></i>					
Fair value of derivatives used for hedging	(1,172,959)	-	(1,172,959)	-	(1,172,959)
Long-term financing and funding facilities	25,957,971	1,466,775	14,500,562	10,011,908	25,979,245

Valuation technique and significant unobservable inputs

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.

Type	Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value measurement
Derivatives used for hedging*	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
Bank borrowings **			

* The instruments were measured at fair value in consolidated statement of financial position.

** The fair value of these instruments were measured for disclosure purpose only.

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39 SUBSEQUENT EVENTS

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. Summary of reclassifications/adjustment are as follows:

- Reclassification of transaction cost on initial public offering (IPO) from share capital to share premium amounting to ﷲ 176.9 million.
- Reclassification of Income in relation to termination of hedging instruments from other income to financial charges amounting to ﷲ 15.5 million.

41 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors and authorised for issue on 14 Ramadan 1447H, corresponding to 3 March 2026.