

ACWA Power announces its first quarterly results as a public company

- The Company completed a landmark IPO and listed on Tadawul on 11 October 2021
- Operating income before impairment loss and other expenses at SAR 1,660 million for nine months flat versus year ago
- Commitment to net zero target 2050 exemplified by the sale of one oil-fired asset
- IPO incentive plan for employees vested at a total expense of SAR 280 million

Riyadh, KSA: 10 November 2021: International Company for Power and Water Projects (“ACWA Power” or “the Company”), a leading developer, investor and operator of power generation and desalinated water plants worldwide, today announced its results for the third quarter 2021.

Operating income before impairment loss and other expenses was SAR 1,660 million for the first nine months of 2021, flat versus the same period in 2020, mainly supported by ACWA Power’s operations and maintenance (O&M) business that generated higher operating income thanks to projects starting operations or operating their first full year in 2021, such as Al Dur IWPP and Hassyan IPP.

Three projects, namely, Sudair, Sirdarya and Redstone, which completed their respective financial closes during the period, contributed into higher operating income, which was offset by recognition of employee long-term incentive plan expense and lower share in net results of equity accounted investees, net of tax, mainly because of accelerated depreciation on two oil fired assets.

Net profit attributable to equity holders of the parent for the first nine months of 2021 was SAR 420 million and lower by 51 percent than the same period of 2020. The decrease was mainly driven by flat operating income reduced by the one-time charge of SAR 280 million in the third quarter pertaining to the grant and recognition of IPO incentive plan comprising shares and cash benefits for eligible employees, in line with the company’s plans announced at the time of IPO, and additional impairment charges.

ACWA Power’s commitment to net-zero emissions by 2050 was exemplified by the entry into a sale agreement of one of the four oil-fired assets in its portfolio. This transaction is also a testament to the company’s commitment to remain at the forefront of energy transition both at home in Saudi Arabia and beyond.

Paddy Padmanathan, Chief Executive Officer, ACWA Power, said: “Our results for the third quarter demonstrate that we are on track towards achieving our business and financial targets as set forth in our Prospectus for the fiscal year 2021. This also provides us with a solid basis for growth, which is our top priority following ACWA Power’s landmark listing on the Saudi Stock Exchange, which was oversubscribed by an overall factor of 250 times. As a Saudi flagbearer and a national champion, the trust of our shareholders in our ability to be a force for greater good for people not just here in the Kingdom but around the world is our greatest motivation and inspiration. We will live up to this trust through continued ingenuity and excellence in everything we do as we fulfil our mission to deliver power and water reliably and responsibly, at low cost to communities worldwide.”

Operational highlights

As of 30 September 2021, ACWA Power's portfolio comprised 65 power and/or desalinated water projects in 13 countries, with an estimated project cost of SAR 252 billion (USD 67 billion).

Key operational developments during the period were:

- The financial close of 1500MW Sudair PV IPP in July, of which ACWA Power holds a 35% equity stake. This is a partnership with the Public Investment Fund (PIF) and Saudi Aramco, who own 35% and 30% of the project, respectively.
- The commissioning of the 300MW first stage of 900 MW Shuaa Energy 3 PSC in July. This project is the fifth phase of Dubai's Mohammed bin Rashid Al Maktoum Solar Park and the first stage achieved full commercial production capabilities in under 12 months.
- Signed the asset acquisition and project financing agreements of the SAR 45 (USD 12) billion Jazan Integrated Gasification Combined-Cycle (IGCC) power plant in September, which is the largest agreement of its kind in ACWA Power's history. Jazan IGCC will supply power, steam, hydrogen, and other utilities for Aramco's Jazan refinery, under a 25-year contract with Aramco and is expected to be a significant contributor in ACWA Power's financial results in 2022.
- The sale of a 32% equity stake of Shuqaiq Water and Electricity Company, an oil-fired asset, including the sale of 32% interest in the O&M contract of NOMAC. This is a result of ACWA Power's capital recycling strategy as well as a step towards the Company's net zero target.
- The award for a power purchase agreement (PPA) for Egypt's 1,100 MW Wind IPP by the Council of Ministers of the Egyptian government.

The interim reviewed financial statements for the period ended 30 September 2021 together with accompanying management discussion and analysis of the financial results are available in Investor Relations section on ACWA Power's website, <http://acwapower.com/en/investor-relations/>. The company will hold an investor conference call on 11 November 2021 at 16:00 KSA time, details of which is also available on the above website.

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About ACWA Power

ACWA Power (TADAWUL:2082) is a developer, investor and operator of power generation, desalinated water and green hydrogen production plants. Registered and established in 2004 in Riyadh, Saudi Arabia; ACWA Power employs about 3,500 people and is currently present in 13 countries in the Middle East, Africa, Central Asia and Southeast Asia. As of 30 September 2021, ACWA Power's portfolio includes 65 power and/or desalinated water projects in 13 countries, with an estimated project cost of SAR 252 billion (USD 67 billion), representing 42 GW of power generation and 6.4 million m³/day of desalinated water production capacity to address the needs of state utilities and industries on long term, off-taker contracts under utility services outsourcing and Public-Private-Partnership models.

ACWA Power's mission is to deliver electricity and desalinated water reliably and responsibly at a low cost, thereby contributing effectively to the sustainable, social and economic development of communities.

PRESS RELEASE

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