PRESS RELEASE:

Saudi Arabia’s ACWA Power announces full year 2021 financial results

- Full year financial results posted after successful IPO and listing in 2021
- Operating income before impairment loss and other expenses up by 12.5% and parent operating cash flow higher by 51.4%
- SAR 560 million dividends for 2021 proposed by ACWA Power’s Board, subject to OGM approval in May 2022

Riyadh, Kingdom of Saudi Arabia, March 16, 2022: ACWA Power, a leading Saudi developer, investor, and operator of power generation, water desalination and green hydrogen plants, today announced its full-year 2021 financial results, demonstrating strong operational and financial performance in line with the company’s expectations.

Commenting on the occasion, Mohammad Abunayyan, Chairman, ACWA Power, said, “As a proud Saudi company that is leading energy transition globally, we are delighted to present our first ever full-year financial results to our investors after our successful IPO. ACWA Power’s strong operational performance and financial results in 2021 reflect the trust and confidence that our major shareholders including PIF, our partners and the investment community have in our contracted, diversified and optimised business model, and our track record of winning and developing large scale projects across technologies including green hydrogen. Our substantial development pipeline leaves us well-positioned to continue to deliver robust, sustainable returns for all stakeholders.”

“Guided by the ambitious vision of our nation’s leaders, we continue our journey to build a cleaner, greener future at home in Saudi Arabia and also contribute to the efforts of other nations to improve their energy mix in favour of cleaner renewable energy-sourced power and desalinated water” he added.

ACWA Power achieved an operating income before impairment loss and other expenses - a key financial performance indicator for the company, of SAR 2,193 billion, which was 12.5% higher than 2020. The upsurge was mainly driven by higher development and construction management services fees from projects achieving financial close, in addition to higher operation and maintenance income from projects achieving their commercial operation dates and commencing revenue generation.

“With a landmark initial public offering (IPO); an inaugural Sukuk issuance; several capital recycling transactions including refinancing of project finance facilities and
solid steps in the decarbonization of our fleet, including the addition of five new large-scale renewable projects into our portfolio of assets in advanced development, 2021 marked another inflection point in ACWA Power’s business. With our public listing, a new, substantially large and diversified shareholder base is now able to benefit from our remarkable results, proudly sharing our commitment to spearheading sustainable change that the world urgently needs,” said Paddy Padmanathan, Chief Executive Officer and Vice Chairman, ACWA Power. “This noteworthy performance is a testament to the passion, entrepreneurship and skills of over 3,500 employees, whose shared commitment to delivering power and water to millions of people every day reliably, responsibly and at low cost brings to life our company’s mission of providing these vital inputs to not just drive economic development and social prosperity, but to sustain life itself.”

**Project development milestones**

Continued resilience amidst Covid 19 disruptions, backed by strong future outlook and a clear project development strategy led to the successful completion of numerous project development milestones and bolstered ACWA Power’s visible and consistent income and cash flow. During 2021, the Company achieved financial closes of five projects in Saudi Arabia, South Africa and Uzbekistan, including USD 1.3 billion senior debt facilities for the Red Sea Multi-Utilities Project, which is under construction at the visionary regenerative tourism development in Saudi Arabia. At NEOM, the at-scale green hydrogen project that the company is developing in partnership with Air Products and NEOM made steady progress. Also, during the year, the Company brought online 10 projects as they achieved their respective initial or project commercial operation dates throughout the year. One of these projects, Rabigh Three IWP in Saudi Arabia, was subsequently verified and confirmed by Guinness World Records as the “Largest RO (Reverse Osmosis) Plant in Commercial Operation” in the world.

“As societies and economies around the world continued to battle the impact of the pandemic and global supply chain disruptions, at ACWA Power we maintained our focus on the core business model of develop- invest- operate- optimise, the power of which is being validated by the earnings and parent level cash from operations (POCF) being generated across each project’s progress over the life cycle,” continued Padmanathan. “With five projects attaining financial close and an additional 10 reaching commercial operation dates, our operations, coupled with funding from the IPO and Sukuk bond, have resulted in a robust financial position consistent with management guidance.”

**Adjusted net profit increased by 3.1%**

Adjusted net profit attributable to equity holders of the parent, which neutralizes the impact of non-routine or non-operational transactions on the profit attributable to equity holders of the parent as reported on the consolidated statement of profit or loss of the company, increased by 3.1% from the previous year to reach SAR 1,194 million in 2021. Major adjustments to the consolidated net profit attributable to equity holders of the company, which declined by 14% to SAR 759 million, were one-time IPO
employee bonus and incentive plan charges; impairment charges in relation to two assets; and a provision for Zakat and tax on prior year assessments. The Company had previously disclosed its IPO bonus and incentive plan in the IPO Prospectus and during the subsequent earnings’ call for the Company’s nine-month 2021 results.

The Company raised SAR 4.8 billion before deducting transaction costs as a result of the listing and SAR 2.8 billion from its inaugural Sukuk issuance in Saudi Arabia. Reinforced by a strong parent operating cash flow of SAR 1.6 billion, which was 51.4% higher than a year ago, the Company utilized part of this cash for some of the investments, for payment of SAR 800 million dividends declared in 2020 and for corporate debt service. End of period parent level cash holding stood at SAR 4.5 billion.

“Looking ahead, we have a solid and diversified cash flow base with steady projected growth on account of a visible pipeline of power and water projects, as well as a large hydrogen market that ACWA Power is well placed to convert into a fair share of business growth in the coming years,” said Kashif Rana, Chief Financial Officer and Acting Chief Portfolio Management Officer of ACWA Power. “While doing so, we will also maintain a keen focus on developing our low carbon portfolio, which currently exceeds 80%, to overcome the challenges of the most pressing issue of our time; climate change. We are actively working with our partners in finding solutions for the carbon intensive projects, while actively tendering for renewables projects in the markets we currently serve and the target markets we are looking to expand to. This will ensure that our business grows in compliance with the commitments the nations have made to contain climate change.”

We continue to move forward on growing our business with environmental stewardship, social responsibility and good governance at the core, maximizing the value of our assets, and advancing our expansion across high growth markets.” he added.

**Operational highlights**

As of December 31, 2021, ACWA Power’s portfolio comprised 64 projects in operation, construction, or advanced development in 12 countries. These projects have a value of SAR 251.7 billion at total investment cost, with capacity to generate 42.7 GW of electricity and produce 6.4 million m3 per day of desalinated water.

Key operational highlights for 2021 include:

- The addition of five new renewable energy projects in advance development, each at large scale, in Saudi Arabia, Egypt and Uzbekistan. This includes the 600 MW Shuaibah PV IPP and the 200MW Qurayyat PV IPP in Saudi Arabia; a 1,150 MW wind IPP in Egypt; and the 100MW Nukus Wind IPP and 1,500MW Karakalpakstan Wind IPP in Uzbekistan. This adds a cumulative 3,500MW gross power generation capacity to ACWA Power’s project portfolio in operation,
construction and advance development and brings the renewable energy capacity to 14.8GW.

- The successful completion of five financial closes for Sudair 1500 PV IPP, Jazan IGCC and the Red Sea Development Project in Saudi Arabia; Redstone 100 CSP IPP in South Africa and Sirdarya 1500 CCGT IPP in Uzbekistan.

- Achievement of the initial or project commercial operation dates by 10 projects, including Al Dur 2 Power and Water in Bahrain, Salalah IWP and Ibri 2 PV IPP in Oman; DEWA Phase 5 PV, Hassyan IPP, Umm Al Quwain IWP and Noor Energy 1 in the United Arab Emirates; and Jazan IGCC and Rabigh 3 IWP in Saudi Arabia.

- The sale of 32% shareholder status in Shuqaiq Water and Electricity Company, an oil-fired asset, which will eliminate approximately 1.6 million tonnes of carbon dioxide per year from ACWA Power’s portfolio. The transaction includes the sale of 32% interest in the O&M contract, which is currently with ACWA Power’s wholly owned subsidiary, First National Operations and Maintenance Company (“NOMAC”). The sale is part of the company’s capital recycling strategy and brings it closer to its net zero target by 2050.

- In February 2022, DEWA announced the conversion of the operation of the 2,400 MW Hassyan IPP in Dubai, UAE, from primary fuel clean coal to natural gas. Aligning this project with the Dubai Clean Energy Strategy 2050 and the Dubai’s carbon neutrality strategy to provide 100% of the energy production capacity from clean energy sources by 2050, this step continues to ensure Dubai’s energy supply security by maintaining a diversified energy mix. With operation on natural gas instead of coal, the project will avoid approximately 30 million tons of CO2 emissions by 2030.

The audited 2021 financial statements as at and for the period ended 31 December 2021, alongside an accompanying management discussion and analysis of the financial results are available in the Investor Relations section on ACWA Power’s website, http://acwapower.com/en/investor-relations/. The company will hold an investor conference call on 17 March 2022 at 15:30 KSA time, details of which is also available on the above website.

-MORE NOTES FOR EDITORS:

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 12 countries in the Middle East, Africa, Central Asia and Southeast Asia. ACWA Power’s portfolio comprises 64 assets in operation, advanced development, or construction with an investment value of SAR 251.7 billion (USD 67.1), with capacity to generate 42.7 GW of power and produce 6.4 million m3/day of desalinated water per day, delivered on a bulk basis 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.
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