

PRESS RELEASE:

ACWA Power announces first quarter results for 2022

- ***Operating income before impairment loss and other expenses up by 19.5% from the same period in the previous year***
- ***Adjusted net profit attributable to equity holders of the parent was SAR155 million, a 10.6% increase from Q1 2021***
- ***New Board of Directors appointed meeting post-listing independence requirements***

Riyadh, Kingdom of Saudi Arabia, May 18, 2022: ACWA Power Company ("ACWA Power "or "the Company"), a leading Saudi developer, investor, and operator of power generation, water desalination and green hydrogen plants, today announced its financial results for the first three months of 2022, recording strong growth both in operating profit before impairment losses and other expenses and net profit attributable to equity holders of the parent.

The growth was mostly driven by higher share of net results of equity accounted investees, primarily from Jazan's start of operations and partially offset by mainly lower operating income on account of lower production in the CSP plants in Morocco because of extended outages.

Commenting on the occasion, **Mohammad Abunayyan, Chairman, ACWA Power**, said, "As a Saudi company with a global portfolio and links to global financial markets, our overall business performance has resulted in a strong financial result for the start of 2022, which is a testament to the stability of our contracted and diversified business model. We also welcomed our new Board of Directors, who bring impressive collective global business acumen and insights, which will benefit us in our growth strategy. While we laud our achievements, we must also acknowledge that we live in challenging and fluid times and must remain vigilant to global events that can adversely impact our business, while working closely with respective governments and our partners to find effective solutions to mitigate their impact. As 2022 unfolds, we look forward to strengthening our portfolio in existing and potential markets and assist governments as they work towards diversifying their energy mix with sustainable options in power generation, water desalination and green hydrogen."

For the first three months of 2022, ACWA Power earned an operating income before impairment loss and other expenses of SAR 517 million, which was 19.5% higher than the same period in 2021. Three water and seven power projects that came into operation between February and December 2021 were the engine of this growth in the first three months of 2022 by generating additional contractual, operations and maintenance revenue streams. This was further increased by the collection of performance liquidated damages from the EPC contractor of one of the projects,

with the Company's operating profit adversely affected by extended outages in certain projects.

"With new contributions from several projects achieving their Initial or Project Commercial Operation Dates since the first quarter of 2021, we are pleased to report a solid start to 2022. As we work diligently to evolve our portfolio towards sustainable solutions, whether it is through expansion of our renewable portfolio, conversion to cleaner forms of energy source in our plants, investing in the largest green hydrogen and ammonia project in the world for cleaner fuel or altogether divesting fossil fuel-fired plants, our focus on driving sustainable change remains undeterred," said **Paddy Padmanathan, Chief Executive Officer and Vice Chairman, ACWA Power.**

"All the while, we recognize that we live in a world that continues to present us with new and ongoing challenges some of which are outside of our control, such as the persistent high-cost environment generated by the global pandemic and now further exacerbated by the ongoing situation in Ukraine. This is impacting global supply chain logistics, the cost of commodities and components, as well as causing some delays. However, we are continuously evaluating market conditions, assessing the risks, and developing mitigation plans jointly with our partners to find solutions that effectively address the ensuing impact" he concluded.

Driven by higher operating income but partially offset by higher deferred taxes, ACWA Power's net profit attributable to equity holders of the parent for the first three months of the year recorded SAR 152 million and was higher than the same period last year by SAR 13 million, or 9.2%. Adjusted net profit attributable to equity holders of the parent, which calculates the impact of non-routine or non-operational transactions on the profit attributable to equity holders of the parent, recorded SAR155 million and was 10.6% higher than in Q1 2021.

While no projects achieved financial close during this period, Rabigh Arabian Water and Electricity Company ("RAWEC"), an independent water, steam and power producer and a subsidiary of ACWA Power supplying these utilities on a captive basis to Rabigh Refining & Petrochemical Company JSC (Petro Rabigh), a facility of Saudi Aramco, concluded the phase two of its debt refinancing.

"Looking ahead to 2022, ACWA Power has access to diverse funding options that include our existing level of strong liquidity to finance our visible pipeline of power, water and green hydrogen projects," said Kashif Rana, Chief Financial Officer and Acting Chief Portfolio Management Officer, ACWA Power. "While higher costs and supply chain challenges persist and create pressure over our EPC partners, we do recognize the need for a sustainable and more permanent solution to mitigate these stresses."

Operational highlights

As of March 31, 2022, ACWA Power's portfolio comprised 65 projects in operation, construction, or advanced development in 12 countries. These projects have a value of SAR 253.4 billion at total investment cost, with capacity to generate 43.4 GW of electricity and produce 6.4 million m³ per day of desalinated water.

Key operational highlights for the first quarter of 2022 include:

- NEOM green hydrogen project, the world's largest at-scale green hydrogen and ammonia project moved into construction. A Limited Notice to Proceed (LNTP) for c. SAR 3.4 billion was signed in relation to the EPC contract by ACWA Power and our consortium of partners.
- The Power Purchase Agreement (PPA) was signed for 700MW c. SAR 1.7 billion Ar Rass Solar PV IPP in Saudi Arabia, with ACWA Power being the lowest bidder of the project as part of Round Three of the National Renewable Energy Program (NREP) of the Ministry of Energy of the Kingdom of Saudi Arabia.
- Financing of c. SAR 4.9 billion concluded for the development, construction, operations and maintenance of the Red Sea multi-utilities project.
- Concluded the sale of entire shareholding in Shuqaiq Water and Electricity Company, an oil-fired asset, along with its related holding companies and partial shareholding in the operations and maintenance service providing entity. The sale will remove 1.6 million tonnes of carbon dioxide per year from ACWA Power's portfolio.
- Announced the conversion of operation of 2,400 MW Hassyan IPP in Dubai, UAE from clean coal to natural gas. With operation on natural gas instead of coal, the project will avoid approximately 30 million tons of CO2 emissions by 2030. This change means that ACWA Power has eliminated all coal fired assets from its portfolio.

A comprehensive Investor Report comprising the Company's interim condensed consolidated financial statements and the independent auditor's review report for the three months period ended 31 March 2022, along with the CEO's letter to shareholders and a management discussion and analysis of the financial results, is available on ACWA's Power's Investor Relations section at <http://acwapower.com/en/investor-relations/>. The company will hold an investor conference call on May 19, 2022 at 15.30 KSA time, (12.30 pm GMT) following the close of trading on Tadawul.

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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 65 assets in operation, advanced development, or construction with an investment value of SAR 253.5 billion (USD 67.6), with capacity to generate 43.4 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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