

PRESS RELEASE:**ACWA Power announces quarterly and semi-annual financial results**

- ***Consolidated net profit attributable to equity holders of the parent for the first six months reached SAR542 million, a 21% increase year-on-year.***
- ***Operating income before impairment loss and other expenses for the same period at SAR1,153 million increased by 9%***
- ***The Company's share of renewable energy capacity in its power generation portfolio reached 37% with the addition of four new PV projects and divestment of an oil-fired asset***

Riyadh, Kingdom of Saudi Arabia, August 11, 2022: ACWA Power Company ("ACWA Power" or "the Company"), a leading Saudi developer, investor, and operator of power generation, water desalination and green hydrogen production, today announced its quarterly and semi-annual financial results for the three- and six-months periods ending 30 June 2022.

The Company's consolidated net profit attributable to equity holders of the parent reached SAR542 million with a year-on-year increase of 21%, powered by a higher operating profit before impairment loss and other expenses and other income. This increase was achieved despite the additional deferred tax losses incurred in the Company's subsidiaries in Morocco due to the devaluation of the Moroccan Dirham (MAD).

The Company also reports its adjusted net profit attributable to equity holders of the parent (Adjusted Net Profit), which neutralizes the impact of non-routine or non-operational transactions that are not expected to repeat in the future in their respective period of occurrence. Accordingly, ACWA Power's Adjusted Net Profit for the first six months of 2022 was SAR516 million and marginally lower than the Adjusted Net Profit of SAR520 million of the same period of the prior year.

The company's new projects that achieved their Initial or Project Commercial Operation Dates during or after Q2 2021 in addition to recovery of a performance liquidated damage claim contributed strongly to the growth in operating profit before impairment losses and other expenses. However, this performance was partially offset by lower income from the projects that experienced forced plant outages in some of the plants.

ACWA Power's Parent Operating Cash Flow (POCF) for the first six months of 2022 was SAR2,119 million, increasing from SAR216 million compared to the first six months of 2021, a significant increase at SAR 1,903 million. This was mainly due to higher distribution from projects by SAR1,501million, including from RAWEC following the refinancing of its then outstanding debt. The company's parent net leverage stood at SAR7,970 million as at 30 June 2022, decreasing by 20.5%, or SAR 2,052 million, from SAR 10,022 million as at 31 December 2021, mainly because of higher period end cash. The Company's parent net leverage to POCF (LTM) ratio stood at 2.27x.

"Over the course of 2022, the strategic importance of the power generation, water desalination and green hydrogen sectors has resulted in ACWA Power achieving many milestones, including project awards, progress in commissioning existing world-class facilities and solid financial results," said **Mohammad Abunayyan, Chairman, ACWA Power**. "This is an indication that the utilities industry remains strong, despite global geopolitical and economic challenges. We continue to pursue active bids in Saudi Arabia and beyond. We are also expanding our focus to include green hydrogen projects which will add to our expanding portfolio of renewables and other low-carbon technologies in our efforts to accelerate the path toward slowing down the impact of climate change, in line with Saudi Vision 2030 and the Saudi Green Initiative."

During the courses of the first six months, ACWA Power signed a limited notice to proceed agreement in relation to the engineering procurement and construction contract for the NEOM Green Hydrogen Project in Saudi Arabia with NEOM Green Hydrogen Company and Air Products. The contract value of this agreement is reported US\$900 million.

"ACWA Power's financial performance in the first six months demonstrates that our develop-invest-operate-optimise model is continuing to deliver robust results, even in unsettled times. We have grown in line with expectations, working diligently to mitigate geopolitical and global financial and supply chain disruptions," said **Paddy Padmanathan, Vice Chairman and Chief Executive Officer, ACWA Power**. "With new project wins, an active new business pipeline within the utilities space that is expanding in existing and new markets, and growing technological capabilities, our development pipeline remains strong."

In June this year, ACWA Power's Ordinary General Assembly approved distribution of dividends for the year 2021, amounting to SAR562 million in total, which is SAR0.77 per share, or 7.7% of nominal value per share, which was fully paid subsequently in July.

"Presently, our business is protected from higher interest rates as most of our debt at the parent or project level is either at a fixed rate or hedged, meaning that majority of our existing commitments are protected from economic volatility," said **Kashif Rana, Chief Financial Officer and Acting Chief Portfolio Management Officer, ACWA Power**. "This means both at parent and project level, our exposure to current high interest rate environment is significantly limited." **he added,**

Also, in Q2, following a diligent review process in May 2022, Morgan Stanley Capital International (MSCI) included ACWA Power on its Emerging Markets Index, which closely tracks the financial performance of companies in fast-emerging economies.

Business development and operational highlights

As of June 30, 2022, ACWA Power's portfolio comprised 67 projects in operation, construction, or advanced development in 13 countries. These projects have a value of SAR 249.3 billion at total investment cost, with capacity to generate 42.7 GW of electricity and produce 6.2 million m³ per day of desalinated water.

Key highlights for the first half of 2022 include:

- Expanding the Company's green hydrogen remit to include a joint development agreement with OQ, Oman's leading integrated energy group, and Air Products, toward a multibillion-dollar investment in a world-scale green hydrogen-based ammonia production in Oman
- Signing purchase agreements for three projects, including the 1.1GW wind IPP in Egypt, which will be the Middle East's largest wind project when complete; the 91MW Al Layla IPP solar PV project in Saudi Arabia, and Al Shuaibah 3 IWP in Saudi Arabia, which is the conversion of an existing oil-fired asset to a gas fired facility
- Commencing operations in three projects, including Al Dur II IWPP's power and 2nd phase of water in Bahrain, Al Taweelah IWP's 1st phase in the United Arab Emirates and an additional 100MW of DEWA V PV in the United Arab Emirates
- Obtaining preferred bidder status for two floating PV projects in Indonesia
- Preparing or submitting bids for several competitive tenders in Uzbekistan and Saudi Arabia in addition to a proposal for the development of the next mega renewable energy projects to PIF as part of the Company's strategic framework agreement with PIF to develop 70%, or c. 42GW, renewable energy projects in Saudi Arabia as part of the country's Vision.

Sustainability highlights

In line with its decarbonization efforts and ESG strategy, ACWA Power is transferring its portfolio to renewables and other low-carbon technologies by increasing its share of renewables generation capacity. During the last six months, the company added four new renewable projects to its portfolio of advanced development projects; Layla and Ar Rass PV IPPs in Saudi Arabia and Saguling and Singkarak Floating PV IPPs in Indonesia, as well as divestment of SQWEC IWPP in Saudi Arabia, which was an oil-fired asset.

A comprehensive Investor Report comprising the Company's interim consolidated financial statements and the independent auditor's review report for the three- and six-months period ended 30 June 2022 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 August 11, 2022 at 16.00 KSA time, (1 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 over 3,900 people and is currently present in **13** countries in the Middle East, Africa, Central Asia and Southeast Asia. ACWA Power's portfolio comprises **67** projects in operation, advanced development, or construction with an investment value of SAR 249.3 billion (USD 66.5), with capacity to generate 42.7 GW of power and produce 6.2 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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