

BUSINESS MODEL

▶ GRI 2-6 Activities, value chain and other business relationships

Plan

Grow our assets under management at a total investment cost to **USD 250 billion** and be one of the top three companies in renewables and green fuels, while maintaining our leading position in water desalination, globally, by 2030.

Develop

Identifying and developing critical assets in strong growth markets while focusing on cost leadership and innovation by providing turnkey solutions with leading EPC contractors. ACWA Power would typically enter into long-term contracts with high-quality counterparties at pre-agreed tariffs.

Invest

Structuring and obtaining finance for projects where ACWA Power typically acts as the lead investor, with a significant stake and de-facto control over the asset. ACWA Power pursues investments that are diversified across technologies and geographies with ESG-centric scalable investment focus.

Operate

Operating project assets safely and efficiently, to the highest global standards, through NOMAC, a wholly owned subsidiary, creating value through economies of scale and synergies. Its standardised business model incorporates a strong use of digitalisation to improve asset performance.

Optimise

Identifying, assessing, and undertaking financial initiatives and efficient capital structures to further optimise its returns through refinancing, farm-downs or divestments.

Grow our assets under management to a total investment cost of **USD 250 billion**

Assets and capabilities

Projects
94 assets in operation, construction or advanced development across 13 countries.

People
4,175 people with approximately 60% local employment.

Supply chain and EPC partners
International network of world-class OEMs and technical specialists.

Innovation
In-house R&D, engineering and digital technicians combined with international partnerships with leading institutions and startups.

Project pipeline
Responsible to deliver 70% of KSA's renewable installation, mandated to be undertaken by PIF, by 2030. Also aligned with other government programmes to decarbonise.

Our stakeholders

- › Employees
- › Suppliers
- › Partners
- › Shareholders
- › Debt providers
- › Governments
- › Offtakers
- › Educational institutions

Our KPIs

- Financial**
 - › Operating income
 - › Net profit
 - › Parent Operating Cash Flow (POCF)
 - › Equity commitments
 - › Parent net leverage/POCF
- Assets**
 - › Number
 - › Value (at project cost)
 - › Capacity
 - › Financial closes
- Safety and Operations**
 - › Lost Time Injury Rate (LTIR)
 - › Power and water availability %
- Employees**
 - › Number
 - › % women
 - › % local employees
- Emissions**
 - › CO₂e intensity of gross electricity generation, t CO₂e/MWh
- Innovation**
 - › Patents filed
 - › Live projects
- ESG**
 - › Trees planted
 - › Educational Institutions
 - › Compliance metrics

ACWA Power's business model is supported by two key enablers. The first one is its people, a topic that the Company emphasises throughout its operations, with an emphasis on assembling the right mix of skills and expertise to support its ambitious growth. The second enabler is innovation, through which the Group aims to continuously enhance the performance of existing assets, technologies and processes and lead on the deployment of new cutting-edge innovations at scale.

This business model generates contracted, diversified, resilient, and predictable cash flows, underpinned by long-term agreements such as Power Purchase Agreements (PPAs), Water Purchase Agreements (WPAs), Power and Water Purchase Agreements (PWPAs), and Hydrogen Purchase Agreements (HPAs). On a project cost basis, 99% of the Company's portfolio is contracted through long-term take-or-pay P(W)PAs which provide ACWA Power with a hedge

against demand/price risk and regulatory changes. In addition, EPC contracts are structured to transfer risk to contractors, thereby structurally mitigating EPC risk to the Group.

ACWA Power typically enters contracts with offtakers that are predominantly investment grade and/or government-linked (71% of total investment costs of the Company's projects). Additionally, these

contracts with offtakers are predominantly indexed to USD (95% of total investment costs of the Company's projects) and have fuel pass-through clauses (when applicable), providing protection against inflation and commodity price risks. Finally, the O&M contracts typically match in duration to the offtake contracts and are super-senior in the payment order of the project companies.