

**PRESS RELEASE**

## **ACWA Power reports an increase in net profits for the third quarter and nine months 2023**

- *Both operating income and net income up by double digits versus last year*
- *Accelerated momentum of business development activity rebalances legacy issues from projects affected by the pandemic and geopolitical challenges, and substantiates future cash and earnings potential*

**Riyadh, Saudi Arabia; 2 November 2023:** ACWA Power Company, a publicly-listed company on the Saudi Arabian Tadawul stock exchange (ACWA Power: 2082), today announced financial results for the three and nine-month periods ending 30 September 2023.

The Company recorded SAR 814 million operating income—before impairment, loss and other expenses—in the three months ended 30 September 2023, a 25% increase from the same period last year. Higher income both from new operations coming online and existing ones, thanks to stabilised operational performance versus last year, were the main drivers of this performance. During the quarter, the Company's general and administrative expenses and project development cost provisions posted an increase mainly because of increased business development activity. Accordingly, operating income for the first nine months of 2023 reached SAR 2,103 million, growing by 12.4% vs. the same period last year.

The Company's year-to-date net profit—attributable to equity holders of the parent—also increased by 22.5% versus the first nine months of 2022 and reached SAR 1,082 million. Higher operating income was the main driver, which was partially offset by the adverse impact of higher net financial charges due to higher market interest rates, as well as the Company's additional Sukuk issuance in February this year.

**Commenting on the financial results, Abdulhameed Al Muhaidib, Chief Financial Officer, ACWA Power, said:** "We're steadily progressing in achieving our 2023 targets with solid growth in projects achieving financial closes and others being commissioned and delivering energy and water to the end users. With the collaboration of our various business units, we hit our billion riyal bottom line in nine months, which is a fantastic achievement given the macroeconomic and geopolitical challenges surrounding us."

The positive momentum in the Company's business development activities accelerated in the three months ended 30 September 2023. During the period, the Company brought three solar PV projects and one desalination project in Saudi Arabia to their financial closes at an aggregate total investment cost of SAR11.1 (USD3) billion. Two of these are part of the pipeline of projects in Saudi Arabia's renewable energy development programme, 70 percent of which has been assigned to ACWA Power to develop along with the PIF.

"This expedited activity in business development is an unmistakable sign of our investment ahead of the curve to support our accelerated growth into 2030." **said**

**Marco Arcelli, Chief Executive Officer, ACWA Power**, in his regular quarterly address to the shareholders. He added: "The prolonged and increased ripples of the high interest rate, high inflation and geopolitical conflicts environment of the past couple of years, now expected to continue well into 2024, compel us to maintain an element of caution in our expectations into the immediate and near future."

"Although our business model largely allows us to rebalance these vibrations in the long run, timing differences in the short term are always possible due to delays in achieving some financial milestones as well as in executing identified financial optimisation transactions that are part of our return model."

#### Major accomplishments in business development activities

##### During the quarter:

- Signing of the water purchase agreement of 818,280 m<sup>3</sup>/day Hassyan SWRO IWP in UAE, setting a new world record for the lowest levelised tariff.
- Receiving commercial operation certificate for the 750 MW Group 1 of the 1,500 MW Sudair PV IPP in Saudi Arabia, the first of the PIF pipeline projects.
- Financial closes of Rabigh 4 IWP; Layla PV IPP; and Al Shuaibah PV 1 & 2 in Saudi Arabia.
- Signing of several MoUs in Europe, China, Indonesia in the R&D and EPC spaces, gearing up for the Company's 2030 growth strategy.

##### Subsequently in October 2023:

- Awarding of 2 CCGT power plants – Taiba and Qassim, in Saudi Arabia with a total capacity of 3.6 GW.
- Signing of the financing documents for the 240MW Wind IPP in Azerbaijan.
- Receiving commercial operation certificate for 375 MW Group 2 of the 1,500 MW Sudair PV IPP, bringing the total online capacity to 1,125 MW.

ACWA Power's consolidated financial statements for the three and nine months periods ended 30 September 2023 issued by KPMG Professional Services (the Company's Certified Public Accountants), along with the Interim Investment Report including a management's discussion and analysis on the financial results, are available on the Company's Investor Relations page at <http://acwapower.com/en/investor-relations/>

The Company will host a conference call discussing the financial results and business updates on **Thursday 02 November 2023 at 16:00 KSA / 13:00 GMT**.

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#### **About ACWA Power**

ACWA Power (TADAWUL:2082) is a Saudi-listed company and the world's largest private water desalination company, the first mover into green hydrogen, and a leader in energy transition. Registered and established in 2004 in Riyadh, Saudi Arabia, ACWA Power employs over 4,000 people and is currently present in 12 countries in the Middle East, Africa, Central Asia and Southeast Asia. ACWA Power's portfolio comprises 77 projects in operation, advanced development, or construction with an investment value of SAR 310.5 billion (USD 82.8 billion), and the capacity to generate 53.69 GW of power and manage 7.64 million m<sup>3</sup>/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. Learn more: [www.acwapower.com](http://www.acwapower.com)

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