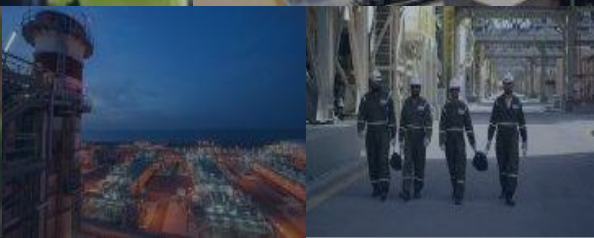


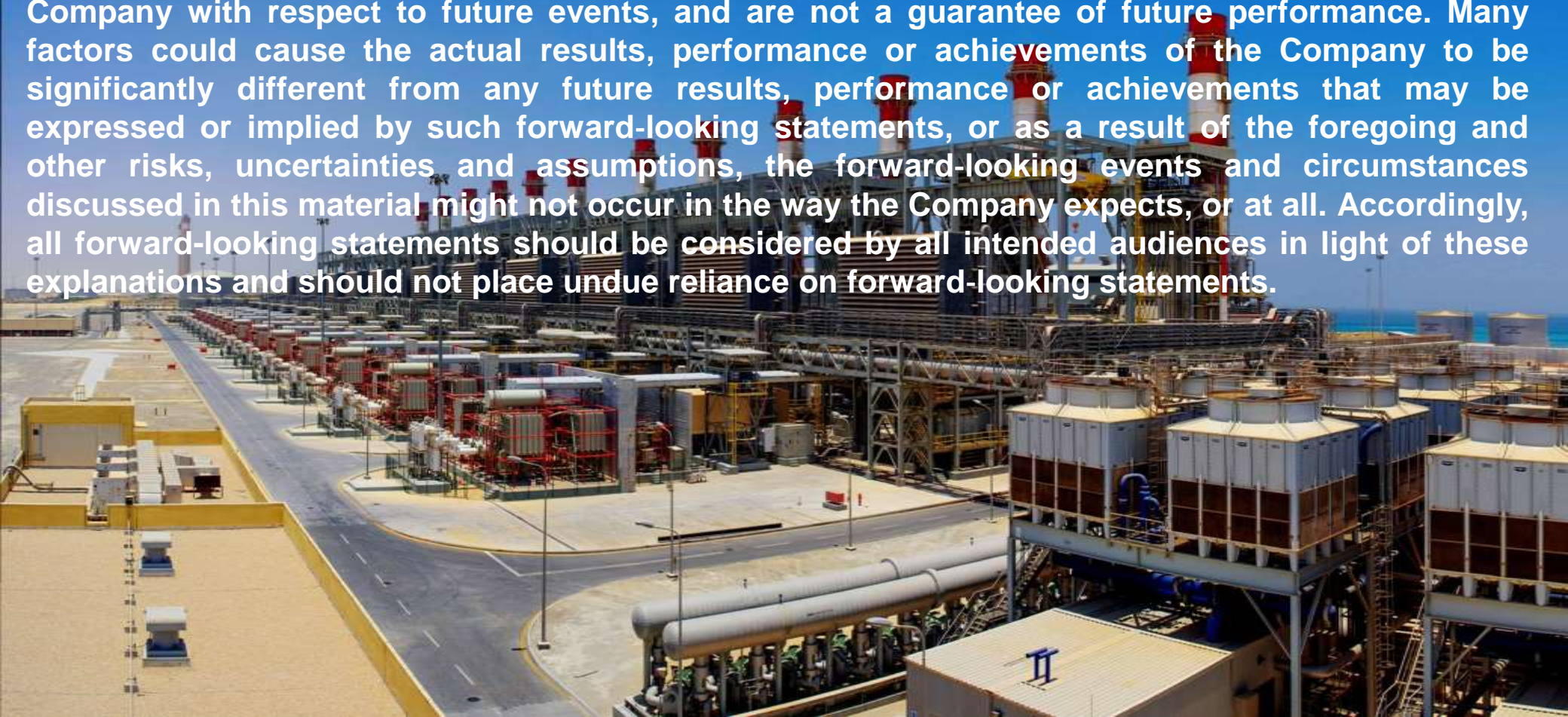
# Bondholders Conference Call ACWA 39—June 2020

## Financial and Operational Results For the year ended and as at 31 Dec 2019



# DISCLAIMER

Certain statements in this material as well as other statements and remarks made during the associated presentation of this material are, or may be deemed to be, "forward-looking statements". Such statements can generally be identified by their use of forward-looking words such as "plans", "estimates", "believes", "expects", "targets", "anticipates", "may", "will", "should", "expected", "would be", or the negative thereof or other variations of such terms or comparable terminology. These forward-looking statements reflect the current views of the Company with respect to future events, and are not a guarantee of future performance. Many factors could cause the actual results, performance or achievements of the Company to be significantly different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, or as a result of the foregoing and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this material might not occur in the way the Company expects, or at all. Accordingly, all forward-looking statements should be considered by all intended audiences in light of these explanations and should not place undue reliance on forward-looking statements.



- ACWA Power
- ACWA 39 Reporting
  - Description of the bonds
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# ACWA POWER

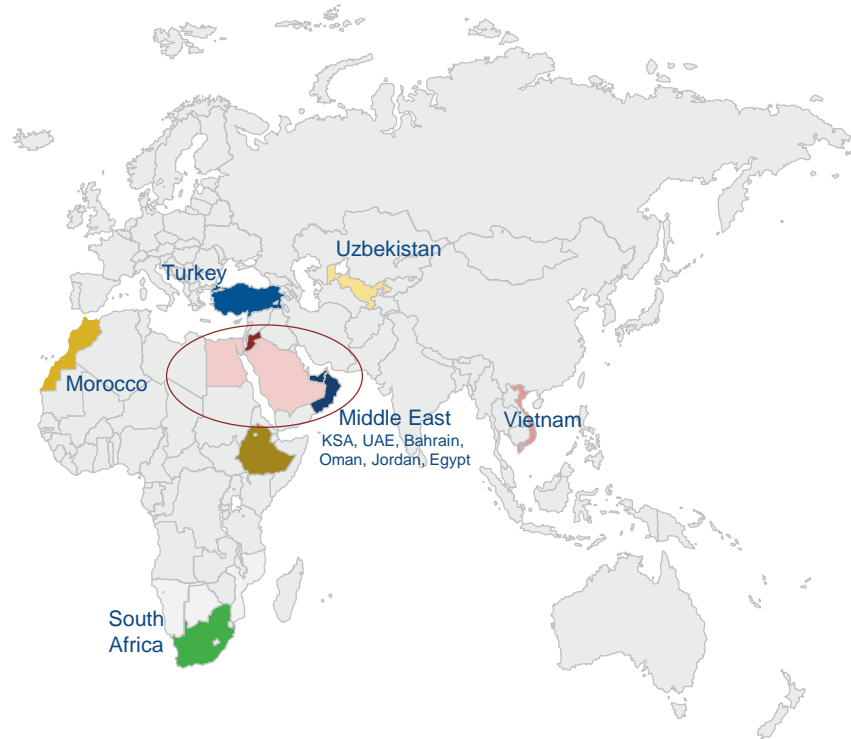
Developer, investor and operator of power generation and desalinated water production plants

**\$** 48.8 Billion  
Portfolio size<sup>1</sup>

**⚡** 34.0 GW Power<sup>2</sup>  
**💧** 5.9Mn M<sup>3</sup>/day Water<sup>2</sup>

**☀️** De-carbonization  
18%<sub>(capacity)</sub> Renewable<sup>3</sup>      70%<sub>(cost)</sub> De-carbonized<sup>4</sup>

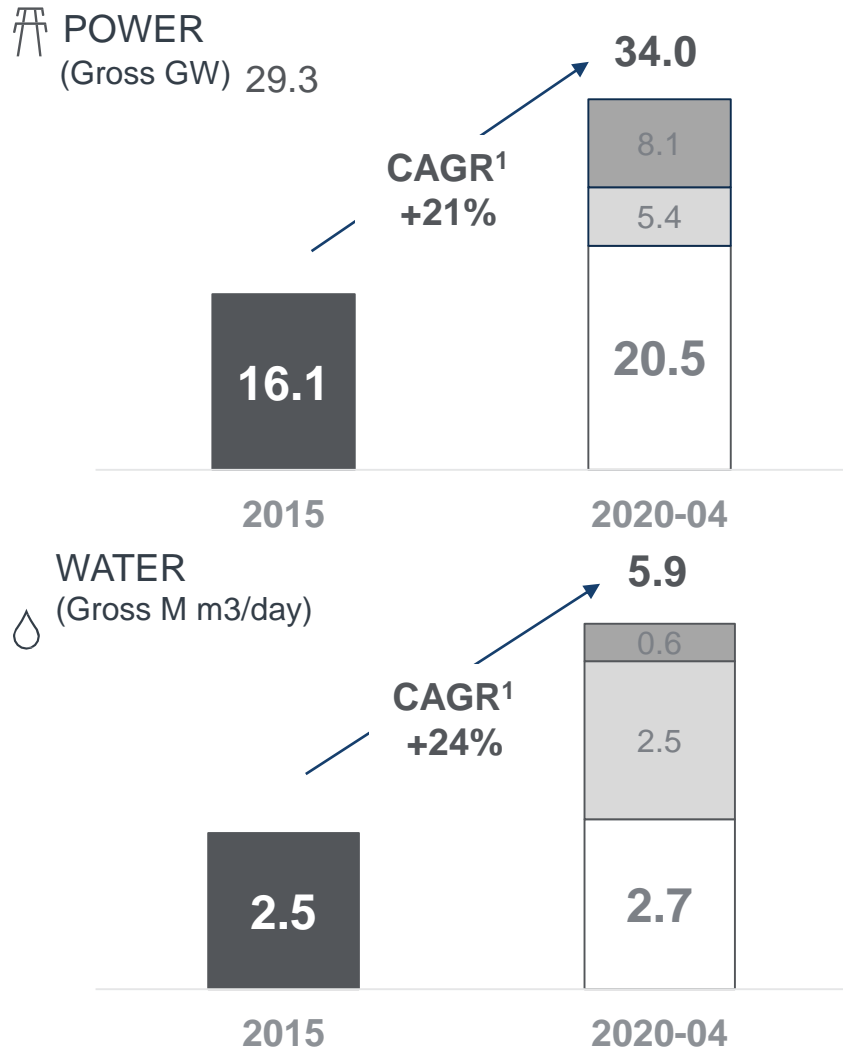
**👤** 3,500 Employees  
30+ Nationalities  
60% Nationals



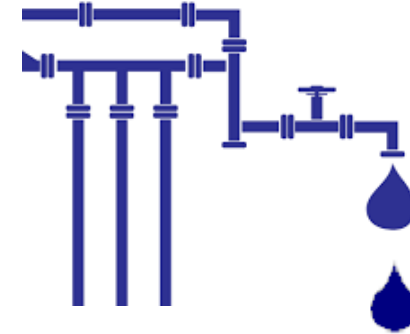
<sup>1</sup> Total project cost of operational, under construction, and advanced development projects. | <sup>2</sup> Contracted power generation and water desalination capacity of operational, under construction, and advanced development projects. | <sup>3</sup> Share of solar and wind energy sources in contracted power capacity. | <sup>4</sup> Share of renewable, electricity and natural gas energy sources in total project cost.

# GROWTH—PAST AND FUTURE

Remarkable growth in the past; strong bid pipeline ahead



## The Bid Pipeline 2020-2022

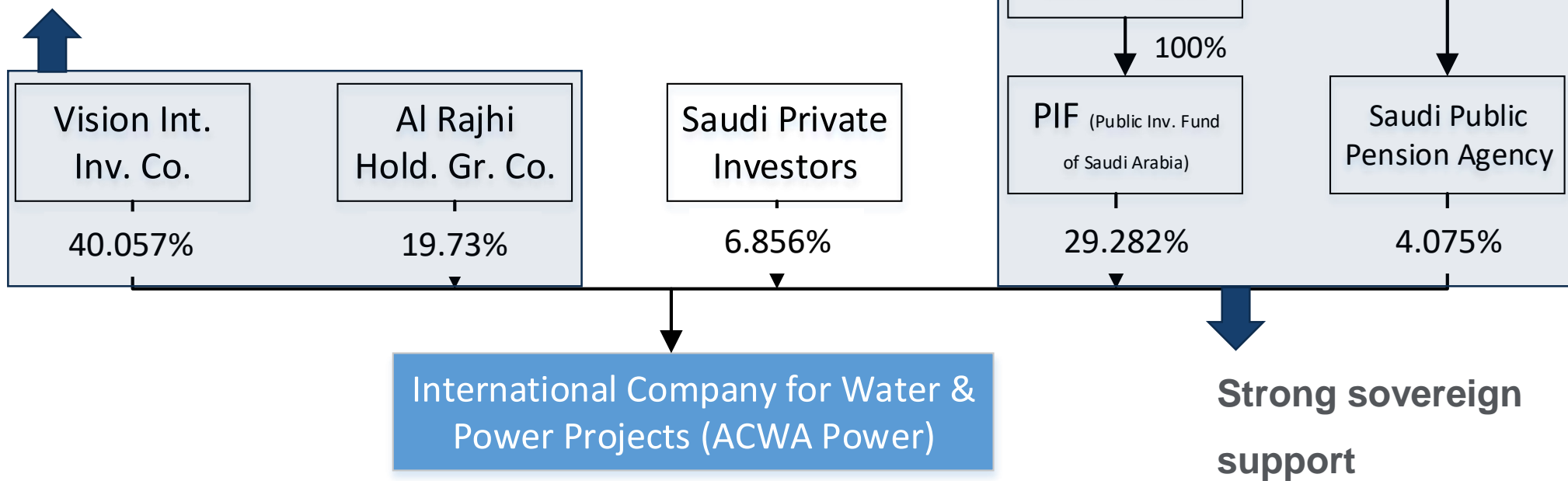


Total	86 # of Projects	39.3 Power GW	7.7 Water <sub>M</sub> m3/day	56.2 Project Cost <sub>USD B</sub>
<b>KSA</b>	32	14.1	5.5	
<b>GCC</b>	11	8.4	1.8	
<b>Africa</b>	23	7.0	0.4	
<b>Asia</b>	13	4.6	-	
<b>CIS</b>	7	5.2	-	

# SHAREHOLDING STRUCTURE

Supportive and reputable shareholder base

## Founding shareholders



On May 13, 2020, PIF (KSA's SWF) completed the acquisition of IFC (part of World Bank Group)'s 4,30% stake in ACWA Power. PIF now directly owns 29.28% as ACWA Power's second largest shareholder. This stands to strengthen PIF's ties with ACWA Power, its back-stop of the company and in turn enhance ACWA Power's credit profile.

# STRATEGIC FRAMEWORK

Reliably and responsibly deliver power and desalinated water at the lowest cost

**To be one of the main privately owned IPP/IWP players in the Middle East and stronghold countries**

#1 position in the KSA

- Focus on maintaining #1 private sector player across sector value chain
- Exploit opportunity to diversify into manufacturing of solar PV panels and gasification plants

Develop multiple STRONGHOLD countries

- Continue expansion via stronghold model
- Remain open to consider opportunistic markets
- Prioritize: South Asia—Bangladesh, Pakistan; South-East Asia—Indonesia, Philippines; CIS—Azerbaijan, Uzbekistan; MENA—Tunisia and Iraq
- Continue portfolio optimization via M&A and divestments

MULTI-TECHNOLOGY & OWN OPERATOR

- Continue to be fuel-agnostic and technology-neutral
- Do NOT have new investment in coal and oil
- Exploit opportunity to introduce green hydrogen produced from wind and solar

**Overall BALANCED asset portfolio**

**Strict adherence to our unique BUSINESS MODEL**

**Ensure FINANCIAL STRENGTH and FLEXIBILITY to fund high growth**



# BUSINESS MODEL

Long-term offtake contracts generating revenue and cash flows at contracted rates over a period of decades

5

Throughout the duration of these contracts, ACWA Power's formula of reliably delivering power and water while keeping the tariffs low ensures **client loyalty as well as timely, continued payment**

1

ACWA Power enters into **long-term contracts** with creditworthy purchaser to sell capacity at a pre-agreed tariff

2

ACWA Power is required to **invest a significant amount of capital upfront** to realize the construction of a power generation and/or desalinated water production plant

3

Once complete, ACWA Power uses the facilities to produce and sell water and energy **over a period of decades, generating revenues at the contracted rate**

4

The income generated is then used to cover operating costs, repay any outstanding loans and recover the capital investment with a **return commensurate with the risk taken**



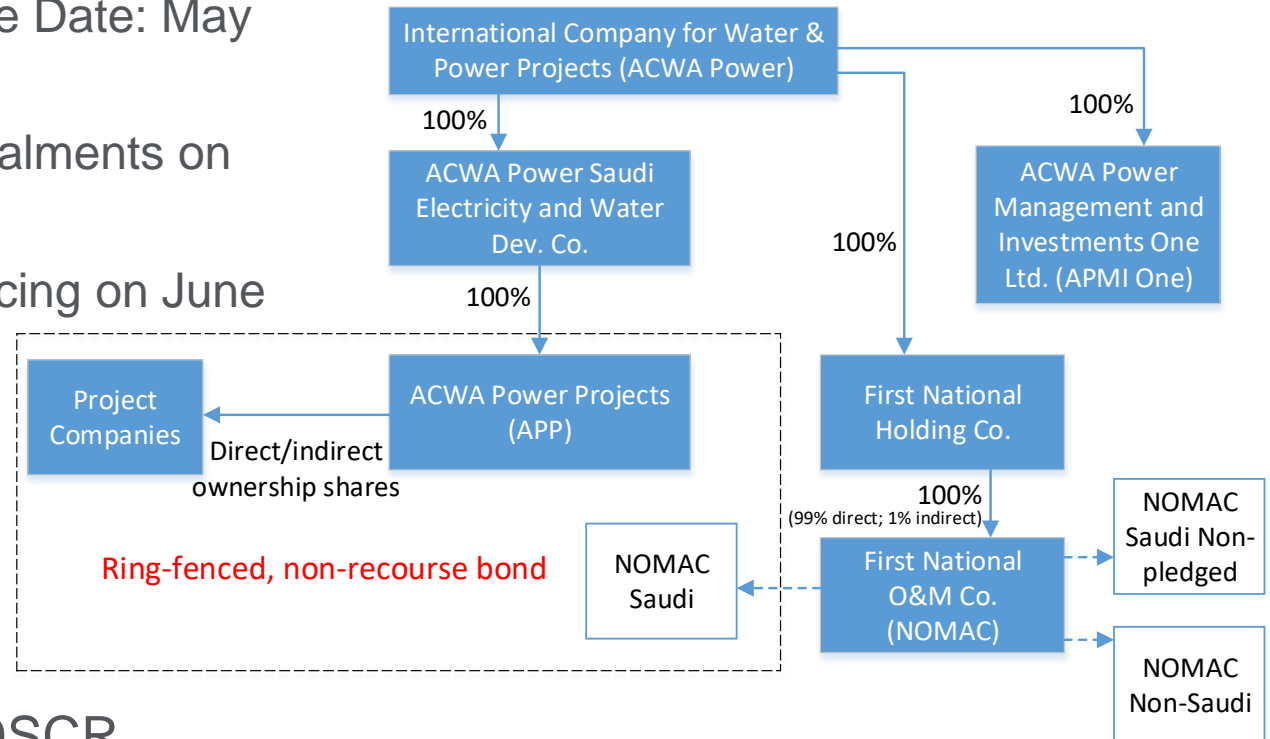
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# ACWA39—THE BONDS

\$814 million 5.95% Senior Secured Bonds due 2039

- The Issuer, APMI One<sup>1</sup>; Issue Date: May 15, 2017
- Payable semiannually in instalments on 15<sup>th</sup> Jun, 15<sup>th</sup> Dec
- Principal payments commencing on June 15, 2021



**3-layer security**

Large cushion in DSCR

Additional DSRA

Share pledges over APP and NOMAC

# ACWA POWER PROJECTS (APP) – AS AT 31<sup>ST</sup> DEC 2019

## Legend

% Effective Share of ACWA Power

% Share of Government Related Entity

First National Holding Co.

100% (99% direct and 1% indirect)

First National O&M Co.  
(NOMAC)

	Project Company	Location	Gross Capacity Power (MW)	Water (000'm <sup>3</sup> /day)	COD/ Contract
30 40	Shuaibah Water & Electricity Co. (SWEC)	Shuaibah, 120km S of Jeddah; W Coast	900	880	1Q10 20-yr PWPA
32 40	Shuqaiq Water & Electricity Co. (SqWEC)	Shuqaiq, 140km N of Jizan; SW Coast	850	212	2Q11 20-yr PWPA
30 40	Shuaibah Expansion Project Co. (SEPCO)	Shuaibah, 120km S of Jeddah; W Coast	—	150	4Q09 20-yr WPA
74 -	Rabigh Arabian Water & Electricity Co. (RAWEC)	Rabigh, 130km N of Jeddah; W Coast	520	188	2Q08 & 2Q16 25-yr WECA
40 20	Rabigh Electricity Co. (RABEC)	Rabigh, 130km N of Jeddah; W Coast	1,204	—	2Q13 20-yr PPA
20 40	Jubail Water & Power Co. (JWAP)	Jubail, 100km N of Dammam; E Coast	2,744	800	3Q10 20-yr PWPA
64.85 -	International Barges Co. for Water Desal. (BOWAREGE)	Mobile, barge-mounted	—	50	—
17.5 50	Hajr for Electricity Production Co. (HEPCO)	Qurayyah, 100km S of Dammam; E Coast	3,927	—	2Q16 20-yr PPA
			10,145	2,280	

## General characteristics:

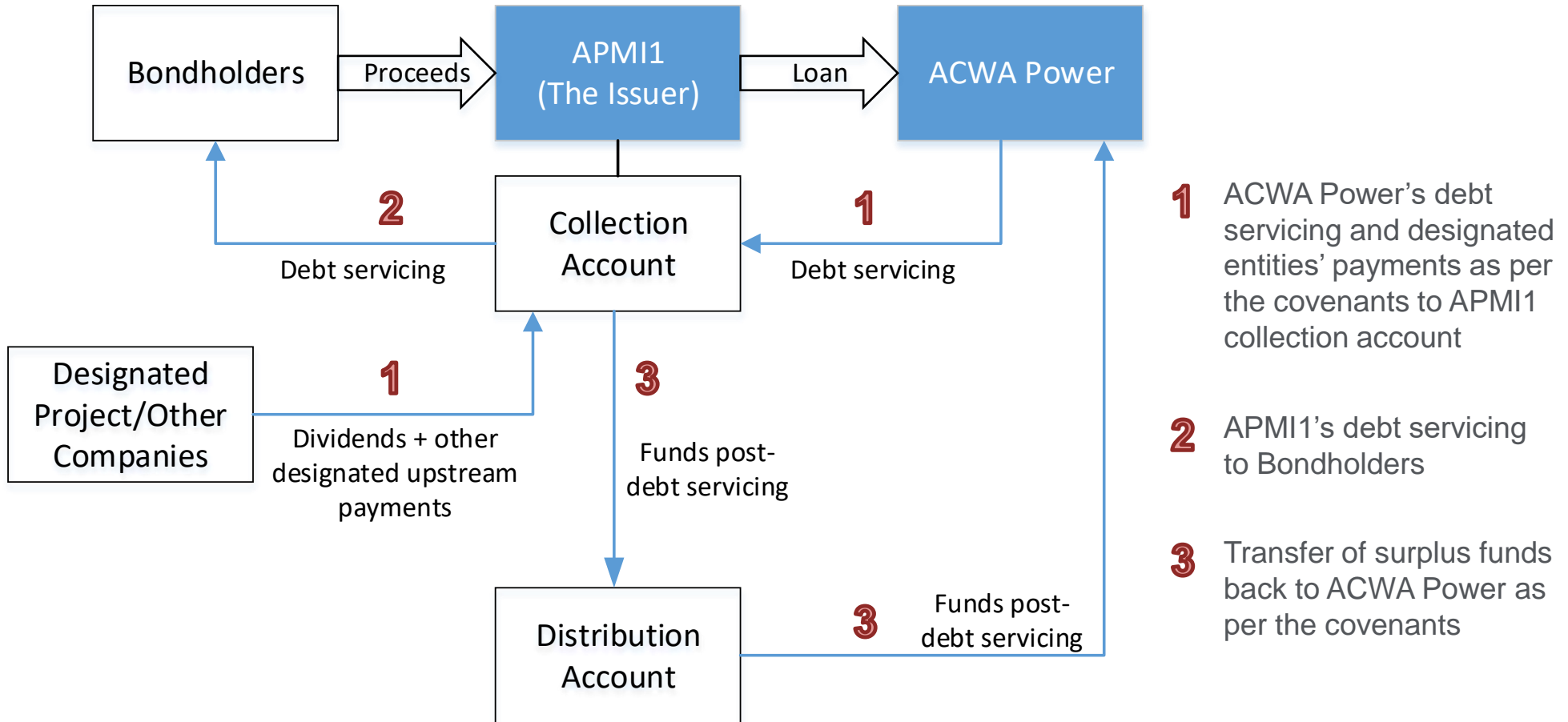
- Long-term contracts with IG sovereign and quasi-sovereign offtakers<sup>1</sup>
- Diversified portfolio
- Strong sovereign support – direct guarantees from MoF<sup>2</sup>
- Shuaibah O&M is unpledged; Mourjan O&M is pledged but equity is not

## Structural developments since issuance:

- RAWEC pledged at 37% only. Currently, ACWA Power holds 99% stake in RAWEC
- NOMAC has been restructured, and ownership was transferred to NOMAC Holding from APP
- Bowarege has no active contract since 2018, impaired on parent's books
- ACWA Power acquired 4.99% additional stake in Hajr in June 2020, increased to 22.49%

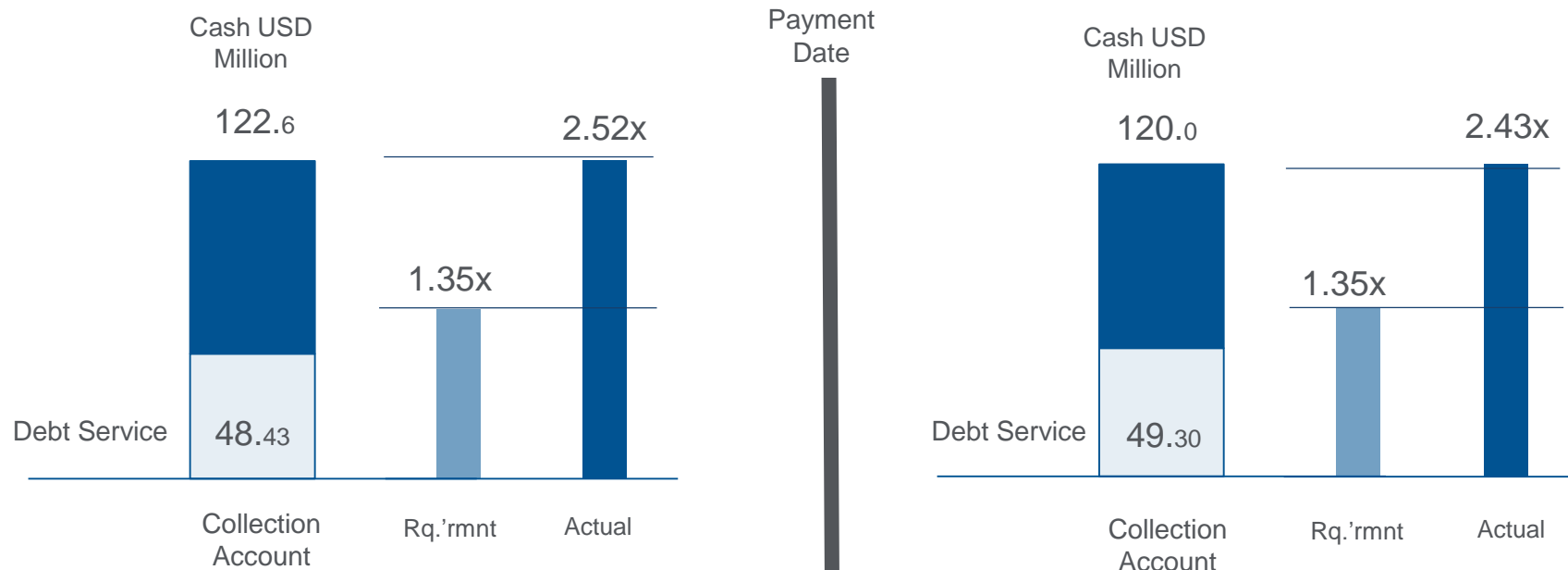
# FUNDS FLOW

Semi-annual debt servicing following a structured flow in accordance with the bonds' covenants



# MOST-RECENT DEBT SERVICING

Immediate 12-month preceding and following 16/06/20 as submitted on the certificate



16/06/19

Preceding 12 months ACTUAL

15/06/20

Following 12 months FORECAST

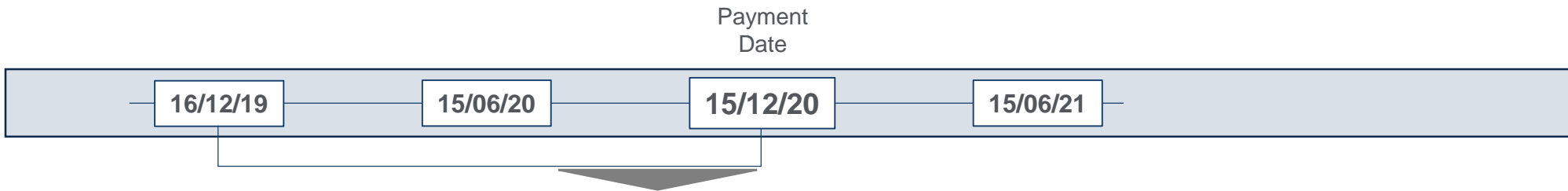
15/06/21

- Cash collection during the period was USD 122.6 million
- Actual collection was USD 6.5 million lower than September forecast of USD 129.1 million mainly on account of prolonged outages in RABEC and SQWEC, slightly offset by SWEC payout higher than normal

- Cash collection forecast for the following 12 months period starting 16 June 2020 will be USD 120.0 million
- USD 2.6 million lower forecast vs previous period collection is due to normalized SWEC dividends in the period, partially offset by dividends collection due to resumption of RABEC's operations.

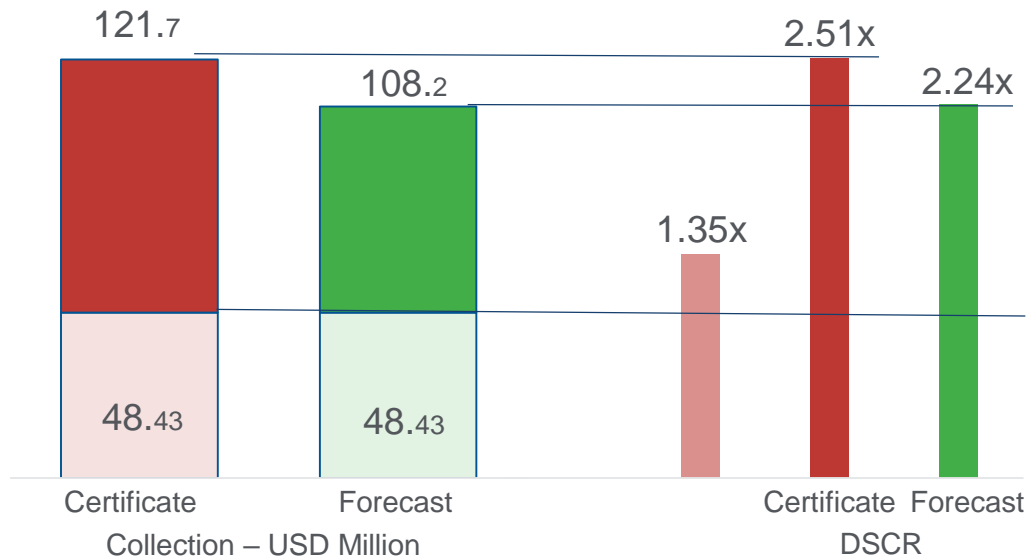
# DEBT SERVICING FOR FY 2020

For 12-month period from 16-Dec-2019 to 15-Dec-2020



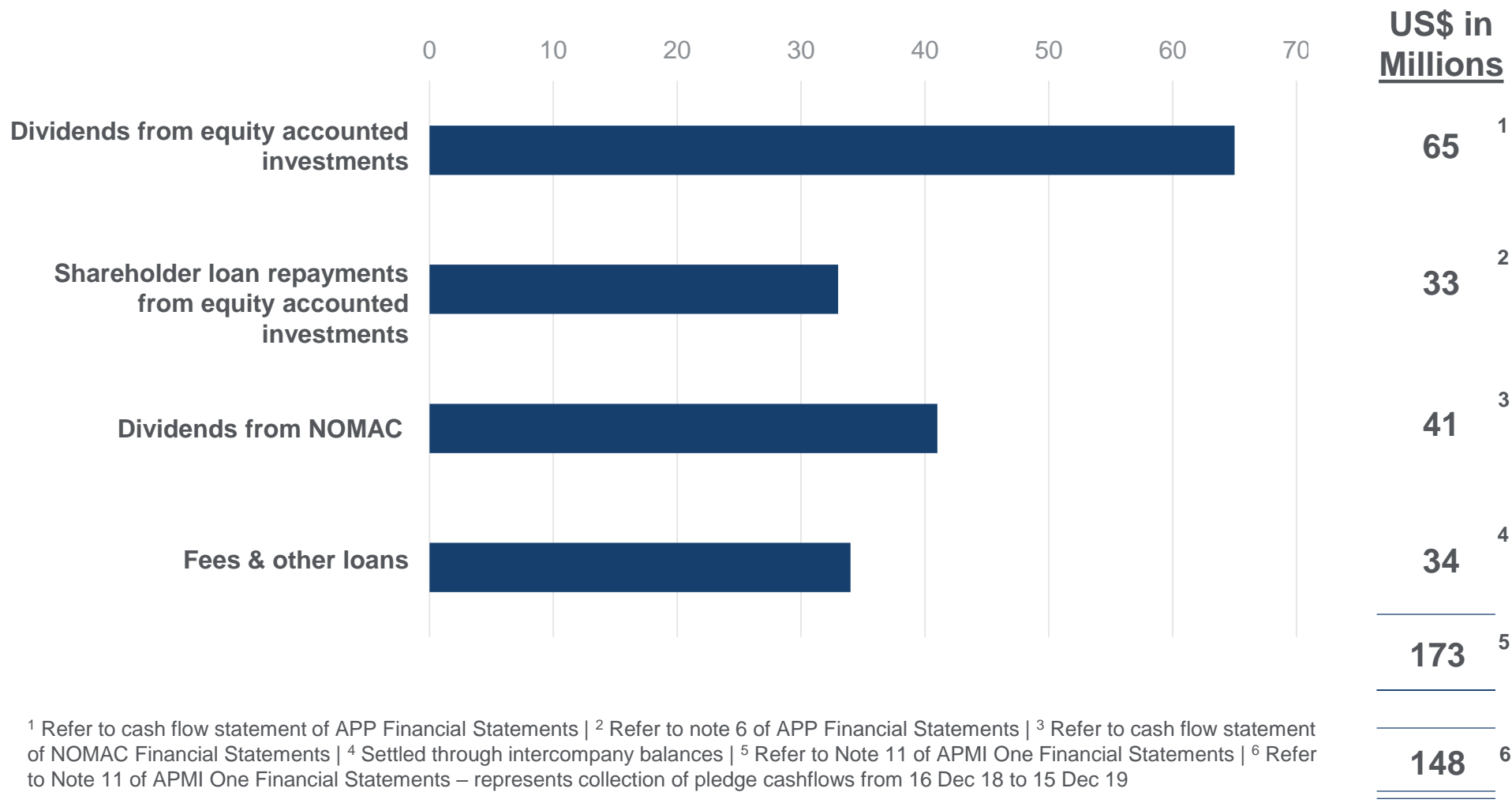
Current 12-months Period Revised Forecast

December 2019 forecast for 2020 included distributions from Hajr which were closely collected prior to the cut off date. Current expectation for the rest of 2020 conservatively assumes delay in insurance claim recoveries which may impact payouts.



# BREAKDOWN OF 2019 CASH FLOWS

Collection account from 1 Jan 2019 to 31 Dec 2019



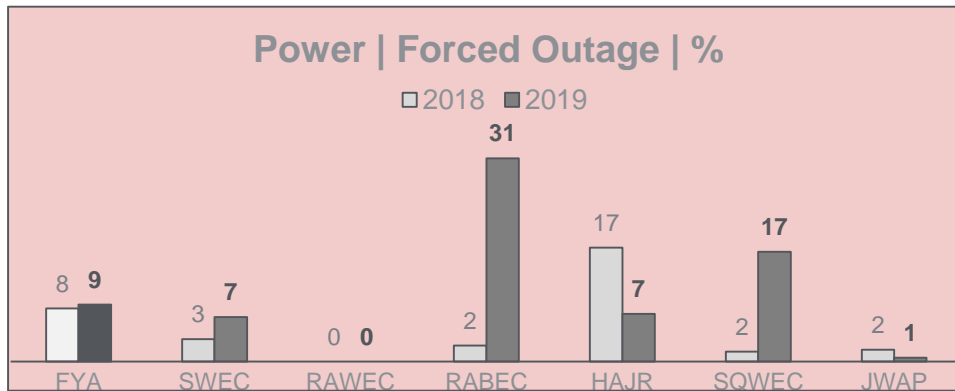
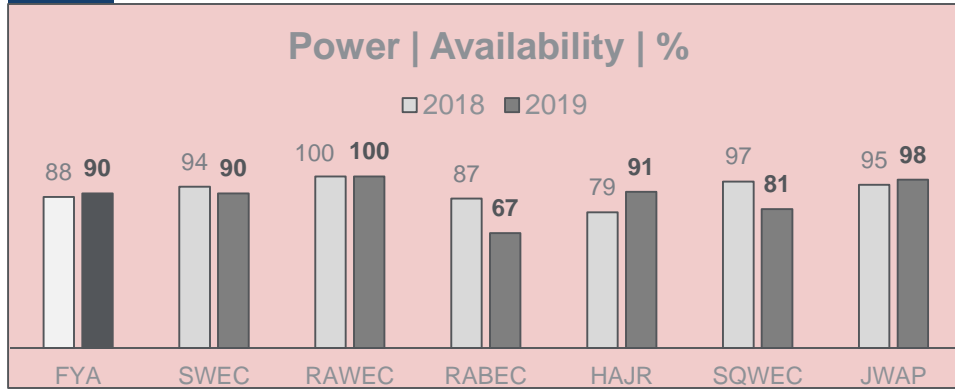


# AVAILABILITY



## POWER

FY2019 Availability | Power: 90%

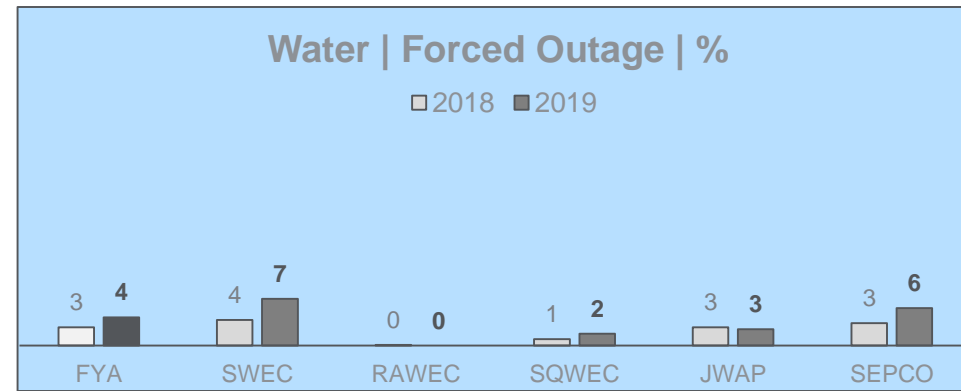
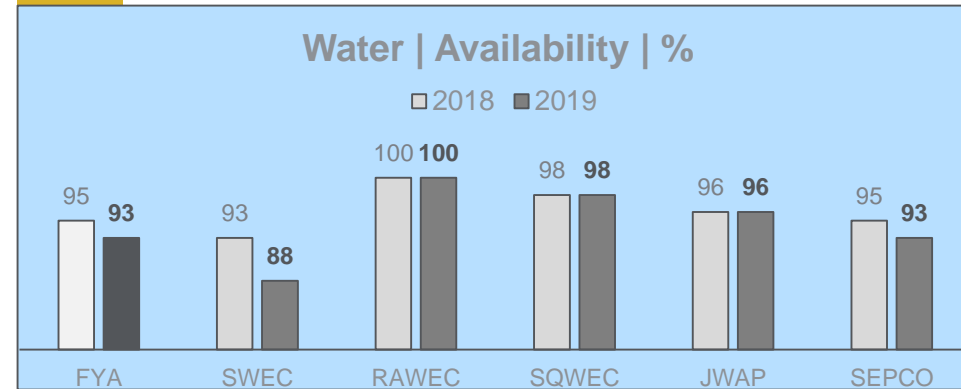


- **SWEC:** Boiler tube leak in ST10, ST20. MSF units last stage chokage and power side outage & load limitations.
- **RABEC:** In Apr & May 2019, both units were forced into shutdown. Both back in operation on 3 Jul and 2 Aug respectively. Spill-over shutdown in one unit on 18 Oct, back in operation on 10 Nov. The issue was contaminated steam carry-over to steam turbines causing gradual damage on the turbine blades. Insurance claims of the damage are being collected. Plant is working at committed capacity since then.
- **HAJR:** After recovering from the outages of prior year, the project is now operating at required capacity.



## WATER

FY2019 Availability | Water: 93%



- **SQWEC:** Damaged turbine blades in one of three units, all forced into shut down following grid black out on June 1, 2019. Back-up power failed to start in one unit that caused the damage. The unit returned to normal operations after repairs in November 2019 and since its operating at required capacity.
- **JWAP:** SWCC header leakages
- **SEPCO:** Low performance of RO trains, Poor UF performance, adverse sea water conditions

# MATTERS OF SIGNIFICANCE

Matters	During 2019	Post 2019 - Existing Status
<b>NOMAC Restructuring</b>	<ul style="list-style-type: none"><li>All assets and liabilities of NOMAC (except Rabigh Power Company) under APP has been transferred to First National Holding Company, a wholly owned subsidiary of the Ultimate Parent.</li></ul>	<ul style="list-style-type: none"><li>Secured consents and completed share transfers for all projects; transaction documents have been executed with Khalladi, Shuaa, Hassyan still work-in-progress due to Covid-19 (delayed original signatures)</li></ul>
<b>Transfer of (non-pledged) shares in RAWEC</b>	<ul style="list-style-type: none"><li>Transfer 37% of interest that was acquired in 2018 to an affiliate company, OASIS Power One Conventional Energy and Water Company, a wholly owned subsidiary of the Ultimate Parent, at carrying amount.</li><li>Asset and liabilities related to the 37% interest were presented as Held for sale/discontinued operations in APP FS</li></ul>	<ul style="list-style-type: none"><li>All relevant consents have been obtained and the transfer is expected to be completed by Q3 2020.</li></ul>
<b>Impairment of Bowarege</b>	<ul style="list-style-type: none"><li>With no new contracts, and uncertainty with respect to further operations, Bowarege assets were fully impaired in 2019.</li><li>Impairment loss: SAR 87.7 million (ACWA Power share SAR 56.87 million)</li></ul>	<ul style="list-style-type: none"><li>Options are being evaluated for the asset.</li></ul>

# MATTERS OF SIGNIFICANCE

## Matters

## During 2019

## Post 2019 - Existing Status

### Acquisition of 5% additional stake in Hajr

- Not Applicable

- ACWA Power acquires 4.99% of Samsung C&T's share in Hajr Electricity Production Company – further fortifying the company's position as the second largest shareholder after the Offtaker Saudi Electricity Company (SEC).

### PIF purchased 4% stake of IFC in ACWA Power

- Not Applicable

- During 2020, PIF completes acquisition of 4% stake of IFC in ACWA Power increasing its direct shareholding in ACWA Power to 29.82%

### Credit ratings

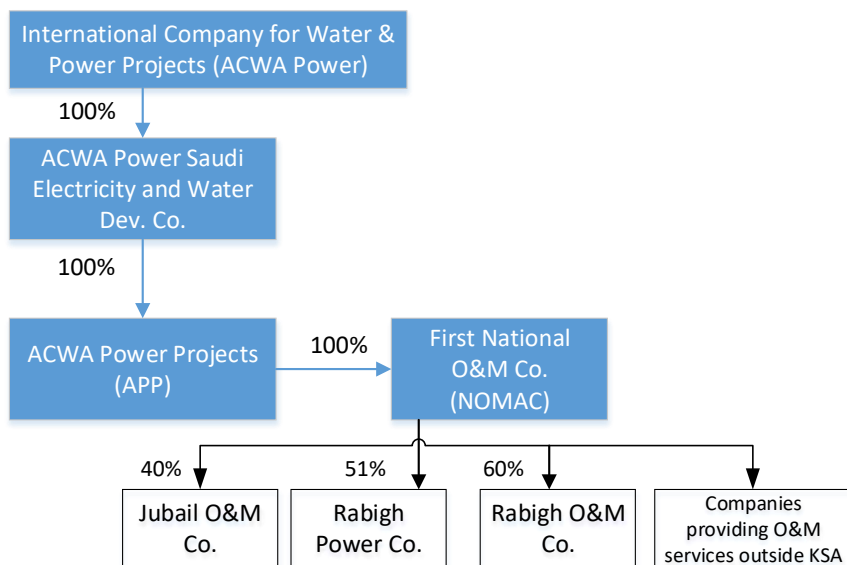
- 2 Investor grade ratings—Moody's Baa3/Stable & Fitch BBB-/Stable

- Not Applicable.

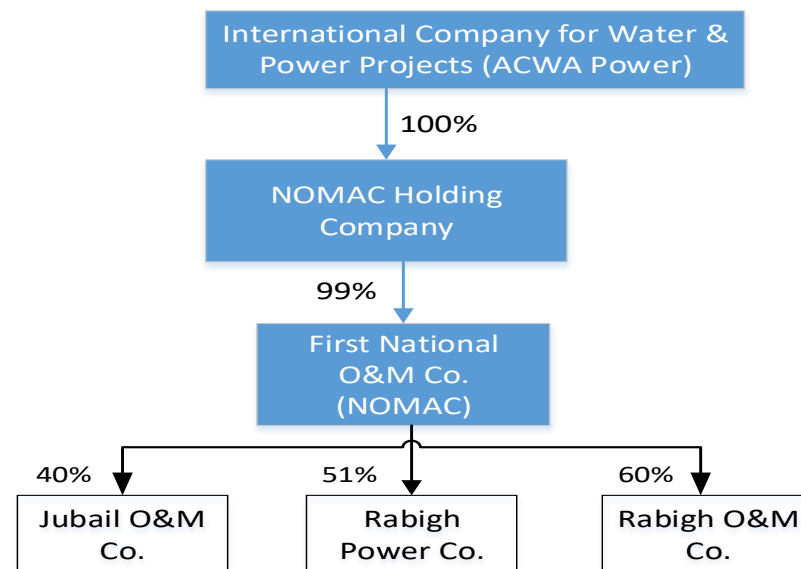
# UPDATE ON NOMAC RESTRUCTURING

As at 31 December 2019

## Pre-Restructuring



## Post-Restructuring (ACWA39 framework)



### Status

- Secured consents and completed share transfers for all projects; transaction documents have been executed for all projects except three. Share transfers completed for all projects. Notice given to the Onshore Bond Security Trustee.

### Next steps

- Finalize execution of transaction documents in Khalladi, Shuaa, Hassyan, which was delayed due to COVID 19—end of July 2020
- Transfer shares in NOMAC KSA to First National Holding Company—end of September 2020
- Notify capital markets and other stakeholders—immediate post-completion

# COVID-19 UPDATE

## Coping well with the pandemic

A Covid-19 committee led by the CEO of ACWA Power focusing on three core areas :



### Scope

Operation. Under Construction. Corporate

#### HSE

- Only essential functions/staff to be on site
- Strict health checks and regular disinfection across all sites
- Conducting regular mock drills and awareness sessions

#### BC

- Ensuring uninterrupted delivery of Power/Water by all projects
- 6 months spares/consumables for operations on site
- Availability of redundancy shift (2nd shift on site)
- Minimizing disruptions through efficient construction supply chain

#### FIN

- Stress-testing on all operational, under construction projects
- No delays in invoice receipts from off-takes
- KSA facilitating business with deferred Zakat & tax payment obligations
- Force Majeure notices filed with off-takers to preserve our rights
- Continuous engagement with stakeholders (lenders/off-takers)
- Operating projects effectively managing working capital
- Payments to NOMAC by the projects are as per schedule
- Distributions from projects are expected as per planned
- Equity Commitments staggered over years, thus no stress on cash outflows at Corporate level
- Sufficient cash at Corporate (c.460MUSD cash + almost 350MUSD in unutilized revolvers) providing added comfort

# HIGHLIGHTS FROM MD&A—APMI ONE

Financial results and position — as at and for the year ended 31 Dec 2019

---

- **Finance income** at USD 49.4 million comprises interest income on bond proceeds advanced to an affiliate company and facility fees thereon.
- **Finance costs** at USD 49.4 million comprises coupon interest expense on Bonds and amortization of debt issuance costs on effective interest rate basis.
- **Total assets** as at 31 December 2019 stood at USD 904.93 million with USD 903.75 million representing the outstanding balance of the principal and the rolled-up interest on a loan to an affiliate company including facility fees and other expenses related to the transaction.
- **Total liabilities** as at 31 December 2019 stood at USD 803.69 million with USD 800.7 million representing the aggregate principal of USD 814 million less deferred finance costs.
- **Total equity** as at 31 December 2019 stood at USD 101.24 million. During the year, USD 24.22 million were injected by the shareholder.

# HIGHLIGHTS FROM MD&A—APP

Financial results and position — as at and for the year ended 31 Dec 2019

---

- **Revenue:** There is no revenue recorded in 2019, consistent with 2018 and 2017, on account of NOMAC restructuring and Bowarege's contract expiry.
- **Operating costs:** Comprising depreciation charges and some operating expenses, operating costs at SAR 34.1 million decreased by SAR 9.6 million mainly due to reduction in the O&M costs in Bowarege.
- **Share in net results of equity investees** has decreased by SAR524M to SAR402M; decline is mainly on account of one time gain of SAR 387M recorded in 2018 on acquisition of RAWEC's additional 37% stake. Also, forced outages in RABEC, SWEC and SQWEC further contributed in the decline.
- **Impairment Loss:** SAR 87.7 million (ACWA Power share SAR 56.87 million) has been accounted in the statement of profit and loss on account of the impairment of Bowarege.
- **Other receivables:** increases is mainly on account of Dividend receivable from RAWEC.
- **Payables and accruals** reduced by SAR 810.8 million thanks to the settlement by the parent company on behalf of the group of purchase price liability on acquisition of additional 37% stake in RAWEC in 2018.

# HIGHLIGHTS FROM MD&A—NOMAC

Financial results and position — as at and for the year ended 31 Dec 2019

---

- **Revenue** was SAR 1,012.3 Million, less than 2018 by SAR 17.9 million, or 1.7%, mainly due to higher revenue at RPC, which is on cost-plus contract, associated with a major maintenance activity in 2018.
- **Direct costs**, which primarily include employee related costs at the projects, the costs of materials and parts (including under long-term parts supply agreements) and services (including outsourced service costs and service fees), decreased by SAR 4.9 Million, or 0.6%, to SAR 774.4 Million in 2019, mainly due to reduced maintenance cost in RPC.
- **General and administrative expenses** were SAR 101.8 million with no material change from 2018.
- **Share in net results of equity accounted investees, net of tax**, refers to NOMAC's share in profits of JOML. At SAR 21.4 million, it decreased by SAR 12.8 Million due to lower net income of JOML versus 2018, which included an early settlement of demobilization fee in the period.
- **Financial assets FV through OCI** of SAR23.9 million was recognized during the year when shareholding in non-restricted entities were reduced in line with NOMAC restructuring.
- **Advances and prepayments** increased by SAR41.3 million on account of increase in advances to the suppliers owing to outages in SQWEC & HAJR.



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