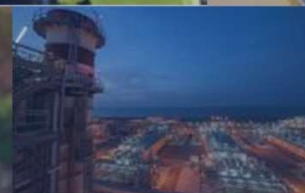




# Bondholders Conference Call

## APMI One's ACWA 39 Bonds—07 Sept 2020

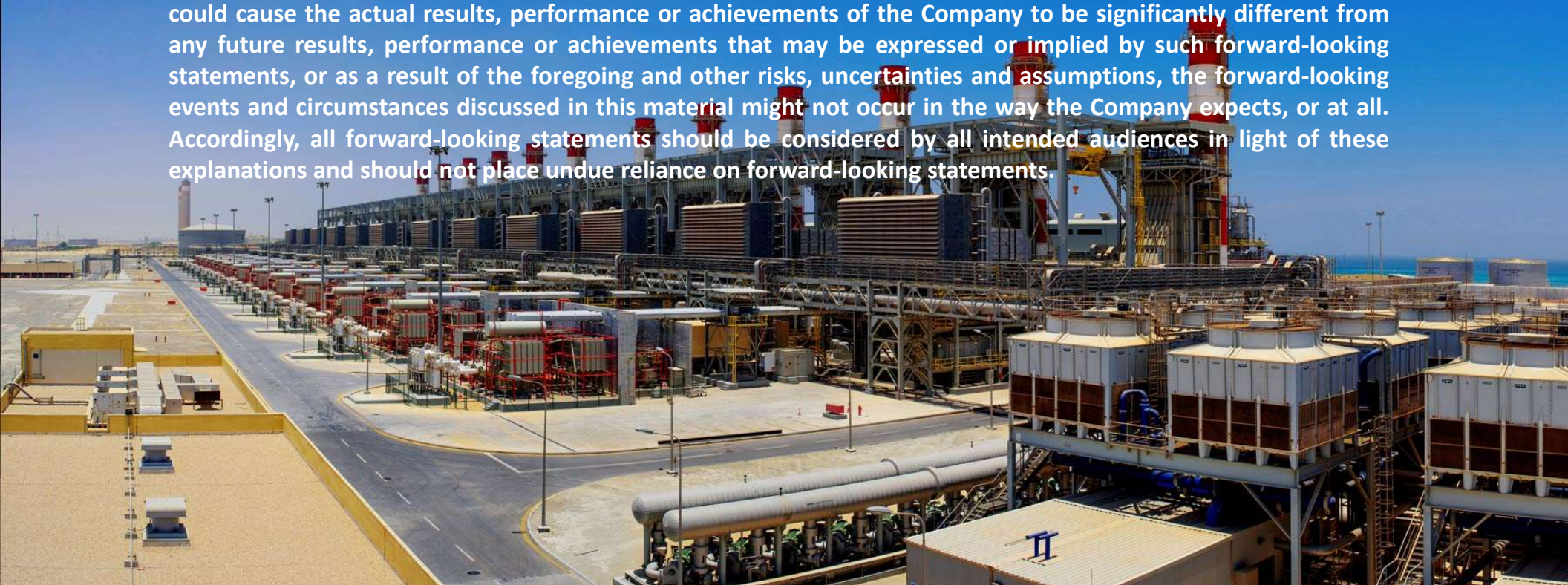
Financial and Operational Results  
For the period ended and as at 30 June 2020





# 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 39 Reporting
  - Description of the bonds
  - Debt servicing
  - MD&A highlights
- Q&A
- Appendix: ACWA Power at a Glance



# ACWA39—THE BONDS

\$814 million 5.95% Senior Secured Bonds due 2039

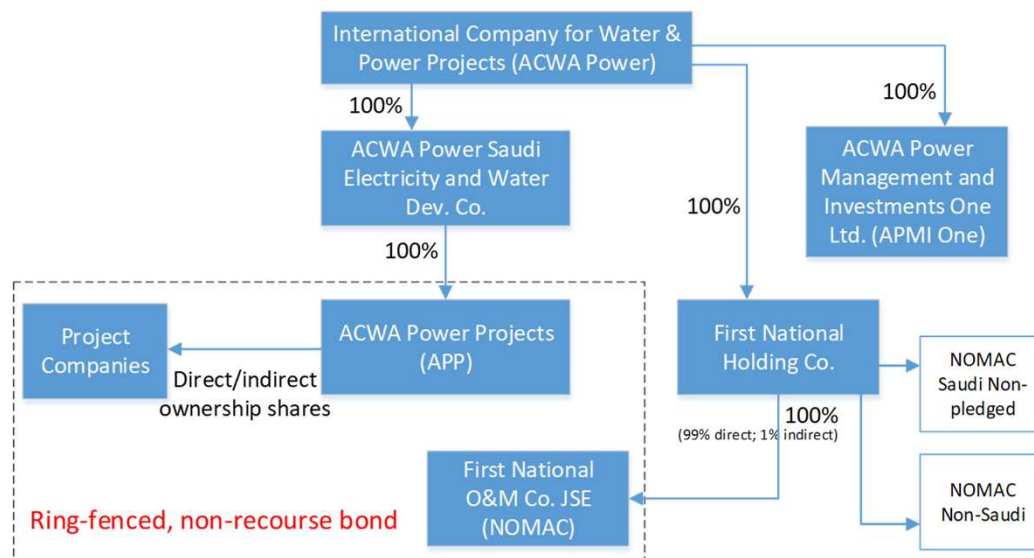
- The Issuer, APMI One<sup>1</sup>
- Issue Date: 15 May 2017
- Payable semiannually in instalments on 15<sup>th</sup> Jun & 15<sup>th</sup> Dec each year
- Principal payments commencing from 15 June 2021

**3-layer security**

Large cushion in DSCR

Additional DSRA

Share pledges over APP and NOMAC



# ACWA POWER PROJECTS (APP) – AS AT 30<sup>TH</sup> JUNE 2020

## Legend

### % Effective Share of ACWA Power

### % Share of Government Related Entity

	Project Company	Location	Gross Capacity Power (MW)	Water (000'm3/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
100 -	International Barges Co. for Water Desal. (BOWAREGE)	Mobile, barge-mounted	—	50	—
22.5 50	Hajr for Electricity Production Co. (HEPCO)	Qurayyah, 100km S of Dammam; E Coast	3,927	—	2Q16 20-yr PPA
			10,145	2,280	

First National Holding Co.

100% (99% direct and 1% indirect)

First National O&M Co.  
(NOMAC)

## General characteristics:

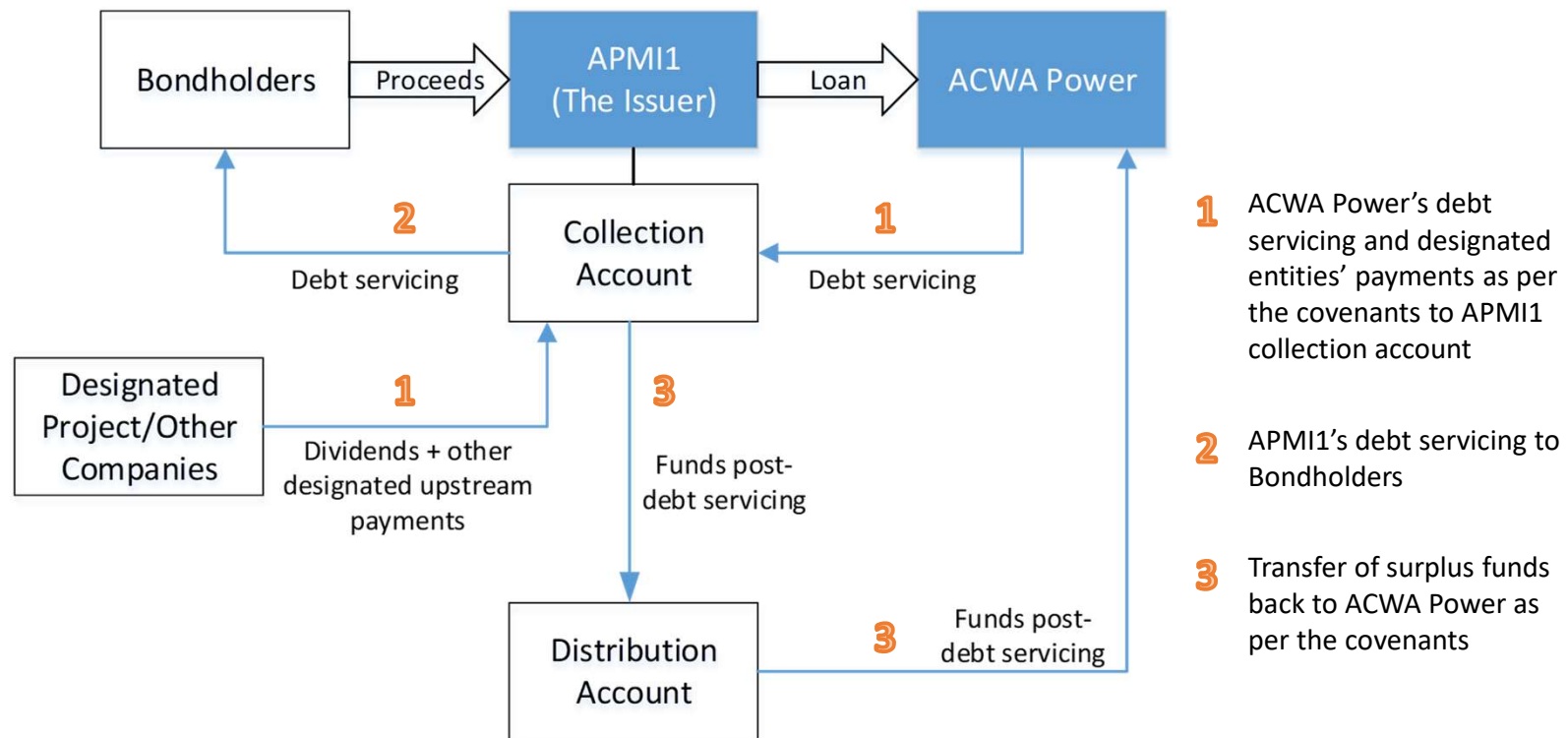
- Long-term contracts with IG sovereign and quasi-sovereign offtakers<sup>1</sup>
- Diversified portfolio
- Strong sovereign support – direct guarantees from MoF<sup>2</sup>
- Shuaibah O&M is unpledged; Mourjan O&M is pledged but equity is not

## Structural developments since issuance:

- RAWEC pledged at 37% only. Currently, ACWA Power holds effectively 99% stake in RAWEC.
- NOMAC has currently been restructured, and ownership was transferred to NOMAC Holding from APP.
- Bowarege has no active contract since 2018. APP now owns 100%.
- ACWA Power has acquired 4.99% additional stake in Hajr in 2020, which is not part of the Bond's pledged portfolio.

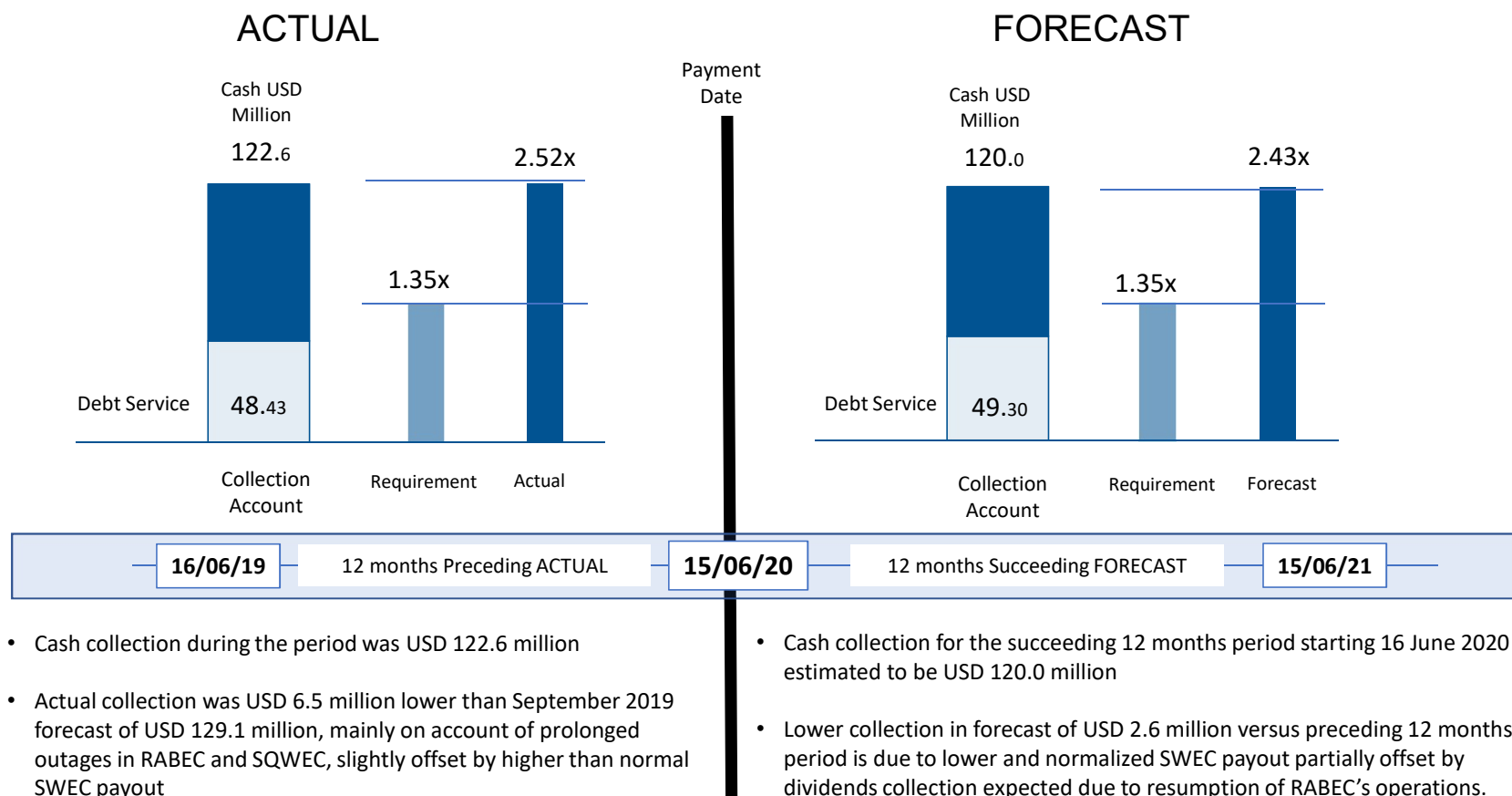
# FUNDS FLOW

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



# DEBT SERVICING

12-month DSCR preceding and succeeding 16 June 2020, as certified

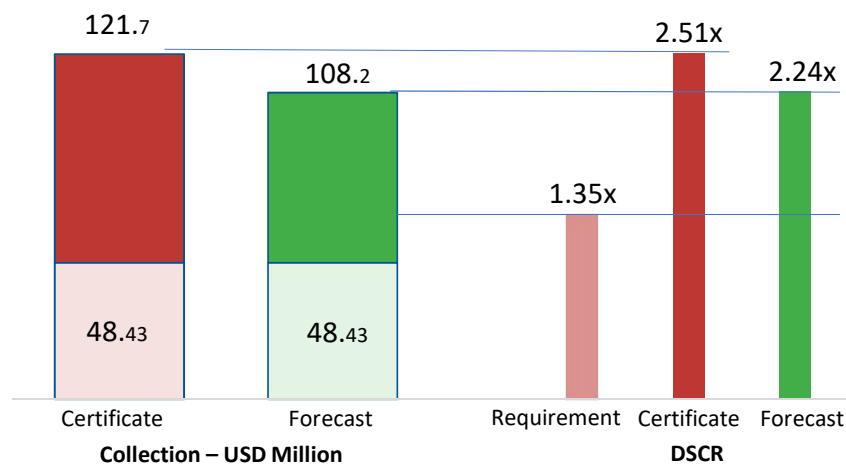




# DEBT SERVICING FOR 2020

For 12-month period from 16 December 2019 to 15 December 2020,  
as notified in December 2019 certificate

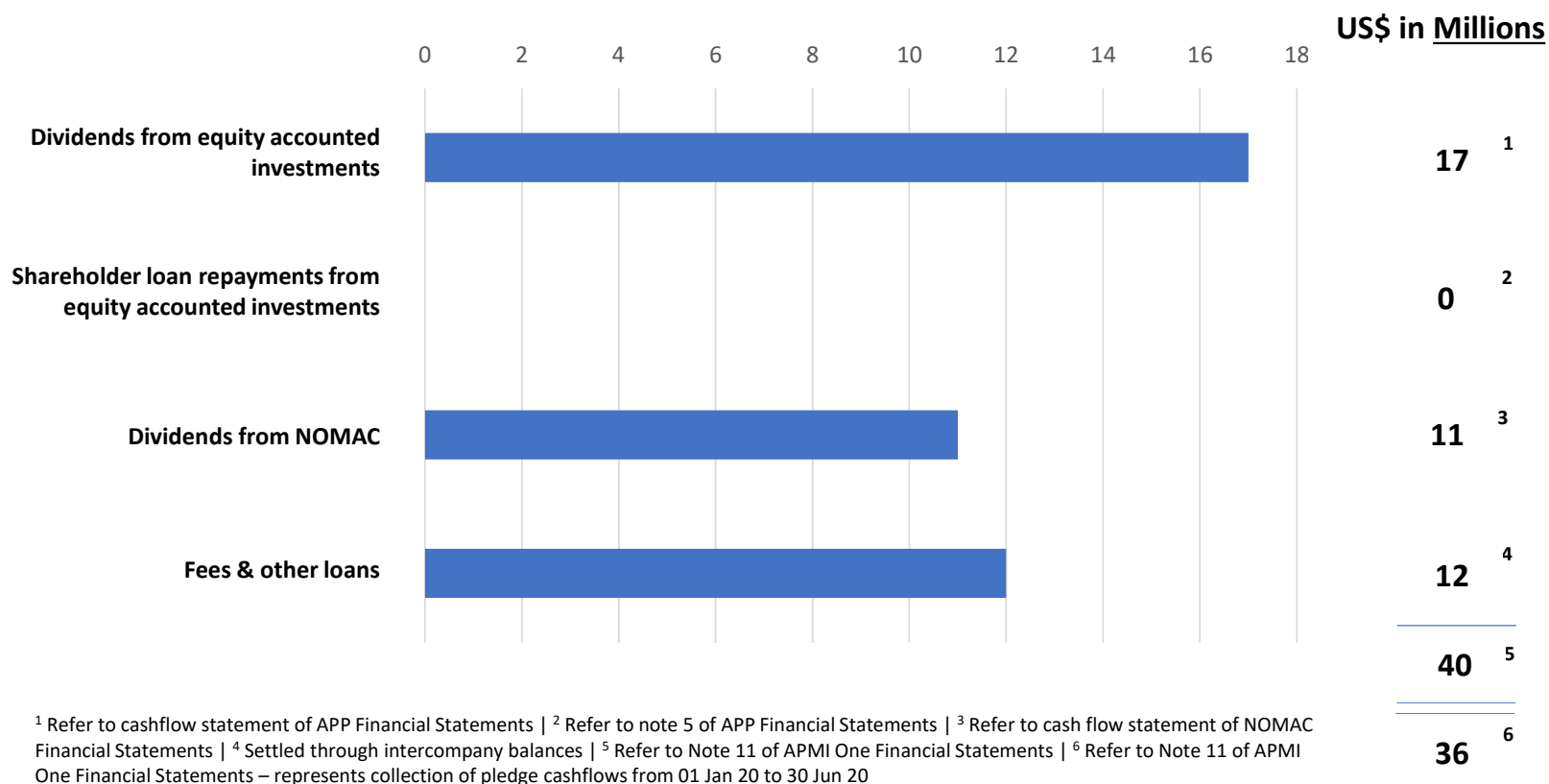
December 2019 forecast submitted for 2020 included distributions from Hajr which were closely collected prior to the cut off date. Current expectation for the rest of 2020 conservatively assumes delay in insurance claim recoveries which may impact payouts.





# COLLECTIONS IN THE PLEDGED ACCOUNT

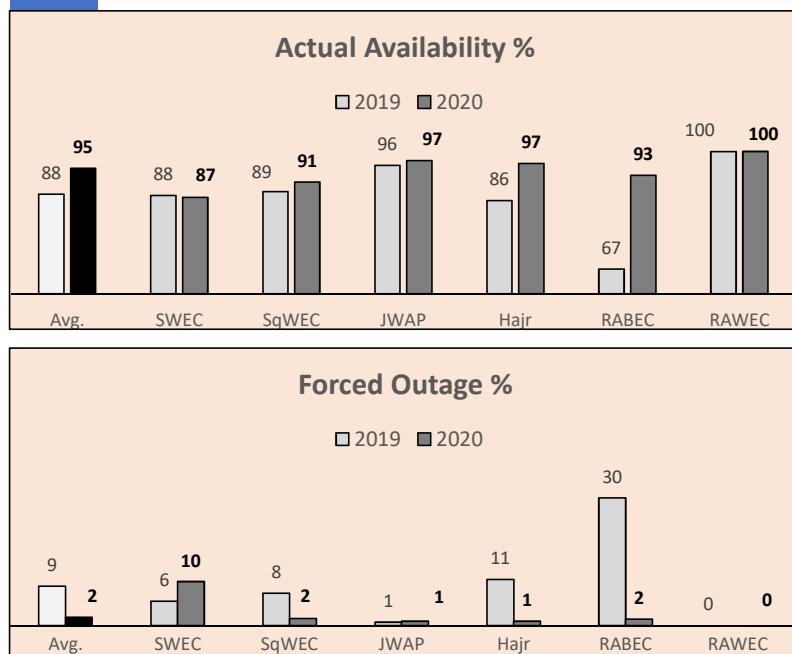
For the six months period ended 30 June 2020



# AVAILABILITY – SIX MONTHS PERIOD ENDED 30 JUNE 2020



## POWER (IWPPs & IPPs) : 95%

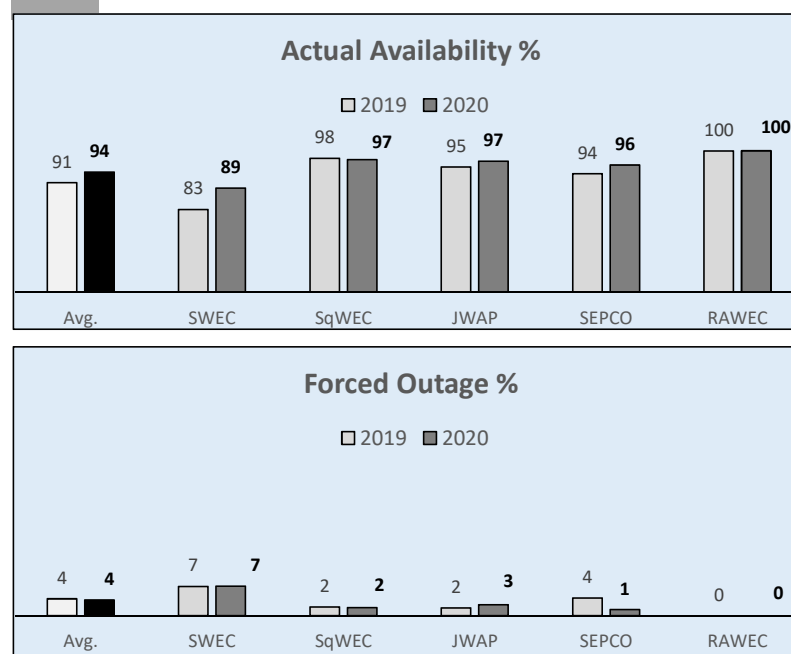


### • SWEC (Power & Water):

- Planned outages in unit-20 were extended by 23 days due to COVID-19 crisis. FM claim has been lodged.
- Forced outages aggregated to 21 days in one of the units due to generator seal leakage which was repaired later.



## WATER (IWPPs & IWPs) : 94%



### • JWAP (Water):

- SWCC pipeline ruptured in May 2020 during which other maintenance activities were executed causing brief disruption of 3-4 days.
- JWAP initiated a bypass SWCC pipeline project which was completed in June 2020 which will improve the water export reliability.

# MATTERS OF SIGNIFICANCE

Matters	Description	Current Status
<b>NOMAC Restructuring</b>	<ul style="list-style-type: none"> <li>All assets and liabilities of NOMAC (except Rabigh Power Company (O&amp;M)) under APP has been transferred to First National Holding Company, a wholly owned subsidiary of the Ultimate Parent (ACWA Power)</li> </ul>	<ul style="list-style-type: none"> <li>Share transfers completed for all projects as well as NOMAC KSA</li> <li>Satisfying the conditions subsequent, i.e. issuing of legal opinions and notifications of completion.</li> </ul>
<b>RAWEC Contract Extension</b>	<ul style="list-style-type: none"> <li>The offtaker and the Project Company discussing extending RAWEC WECA beyond 2041 based on mutual value creation opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Further details will be shared once the wider details related to the financing and tariff are finalized</li> </ul>
<b>Transfer of (non-pledged) shares in RAWEC*</b>	<ul style="list-style-type: none"> <li>Transfer of 37% of interest that was acquired in 2018 to an affiliate company at carrying amount.</li> </ul>	<ul style="list-style-type: none"> <li>Transfer is pending until we reach further clarity in RAWEC Contract Extension</li> </ul>
<b>Acquisition of 4.99% additional stake in Hajr*</b>	<ul style="list-style-type: none"> <li>ACWA Power acquired 4.99% of Samsung C&amp;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).</li> </ul>	<ul style="list-style-type: none"> <li>All administrative requirements are expected to be completed by Sep'20.</li> <li>ACWA Power will fund APP for the additional acquisition</li> </ul>



\*The bond holders do not directly benefit from this acquisition by ACWA Power however get benefit indirectly as it shows the confidence ACWA Power has on its portfolio assets and is injecting more equity into these assets.



# MATTERS OF SIGNIFICANCE

Matters	Description	Current Status
<b>Bowarege</b>	<ul style="list-style-type: none"> <li>With no new contracts and operations since 2018, all assets are being disposed of as scrap, including barges, RO and other equipment, which were fully impaired in 2019 books</li> </ul>	<ul style="list-style-type: none"> <li>The process of disposing the assets as scrap is ongoing</li> <li>Requirements under the indenture are being followed</li> </ul>
<b>CPI index issue with SWEC, SEPCO &amp; SqWEC offtakers</b>	<ul style="list-style-type: none"> <li>The Saudi Riyal-based tariff, except capacity tariff, is subject to local domestic indexation each year.</li> <li>Since the revision of the index series in 2013, methodology of indexation has been under negotiation with offtakers (covered in the Bond's OM).</li> </ul>	<ul style="list-style-type: none"> <li>Negotiations did not produce common ground</li> <li>The matter has been referred to arbitration under the respective offtake agreements</li> </ul>
<b>RAWEC O&amp;M contract modification</b>	<ul style="list-style-type: none"> <li>O&amp;M structure of RAWEC has been transformed into a hybrid fixed plus variable rate agreement to enable efficient and optimized performance of the project as well as O&amp;M company.</li> </ul>	<ul style="list-style-type: none"> <li>The agreement is effective from 1st September 2020.</li> </ul>
<b>Insurance</b>	<ul style="list-style-type: none"> <li>Insurance cover renewals for 2020</li> <li>2019-20 insurance claims in SqWEC and RABEC</li> </ul>	<ul style="list-style-type: none"> <li>In Hajr and RABEC, we secured significant insurance premia reduction over 2019.</li> <li>RABEC and SqWEC recovered significant amounts of insurance reclaims in 2019-20.</li> </ul>

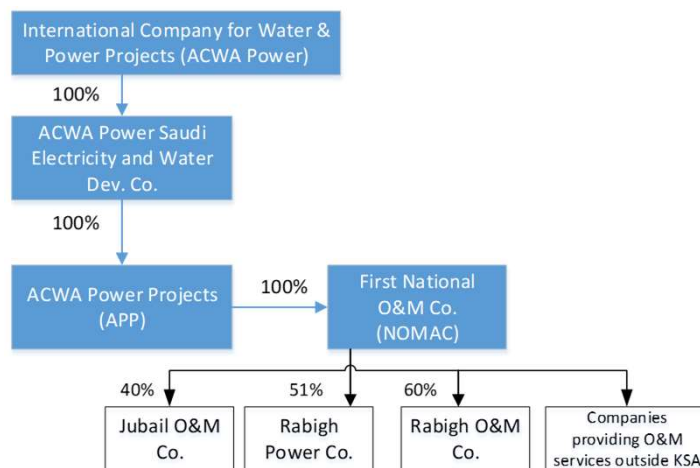
# MATTERS OF SIGNIFICANCE

Matters	Description	Current Status
<b>RABEC Fuel Gas Desulfurization Upgrading</b>	<ul style="list-style-type: none"> <li>FGD system needed modifications to control and reduce SOx emissions (covered in the Bond's OM)</li> <li>Work was completed by April 2019, but testing was delayed due to steam turbine's forced outages till late 2019</li> <li>RABEC's environment permit renewed by local authorities in March 2020</li> </ul>	<ul style="list-style-type: none"> <li>A new issue (high differential pressure of gas-to-gas heater) identified during commissioning that now prevents continuous operation of FGD units resulting in higher SOx emissions</li> <li>Solution identified, actions started but slowed down due to COVID-19; expected to bear result in 1Q21 during planned outage</li> <li>Lenders as well as the authorities are aware of the situation as well as the solution actions in place</li> </ul>
<b>ACWA Power (Parent) related updates</b>	<ul style="list-style-type: none"> <li>The Group public declaration of not making any investment in new coal-fired projects effective immediately (2020)</li> <li>In the current portfolio of 59 assets, there are two coal-fired projects, one under construction and one in advanced development, awarded in the past</li> <li>In May 2020, PIF acquired IFC's 4.3% stake in ACWA Power</li> <li>PIF's direct shareholding in ACWA Power increased to 29.82%</li> </ul>	<ul style="list-style-type: none"> <li>There is no new coal-fired projects initiated in 2020</li> <li>Existing two projects will naturally see through to completion</li> <li>One of these two (Hassyan in UAE) is a "clean coal power plant" that will use the Ultra Supercritical Technology that minimizes fuel consumption and fuel gas emissions.</li> <li>PIF acquisition of 4.3% IFC's stake in ACWA Power has completed now</li> </ul>

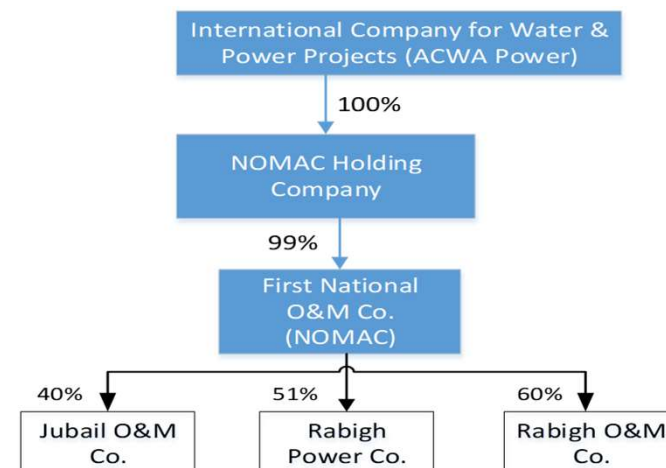
# UPDATE ON NOMAC RESTRUCTURING

As at 30 June 2020

## Pre-Restructuring



## Post-Restructuring (ACWA39 framework)



### Status

- Secured consents and completed share transfers for all projects; transaction documents have been executed for all projects. Share transfers completed for all projects as well as NOMAC KSA which is now 99% owned by NOMAC Holding and 1% owned by Projects Acquisition Company.

### Next steps

- Notice given to the Onshore Bond Security Trustee. Only two projects are pending issuance of conditions subsequent, i.e. legal opinions. Pledge Requests were issued by ANB to NOMAC Holding and Projects Acquisitions Company who also issued their pledge requests to NOMAC KSA. Share certificates and shares registers were issued to reflect the pledge. Dividend assignment was also registered by ANB with the Unified Registry of Rights on Movable Assets at Saudi Business Center.
- Satisfy the conditions subsequent, i.e. issuing of legal opinions and notifications of completion.



# COVID-19 UPDATE

## Coping well with the pandemic

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



**Scope**  
Operation. Under  
Construction. Corporate

### HSE

- Strict health checks and regular disinfection across all sites
- Separate site access for staff to minimize contact risk with social distancing
- Regular mock drills and awareness sessions
- Work from home measures for corporate staff
- Medical screening and facilities on sites, isolation areas, hygiene management
- Insurance and family care

### BC

- KSA-wide COVID-19 steering committee
- Uninterrupted delivery of Power/Water by all projects
- Six months spares/consumables for operations on site
- Availability of redundancy shift (2nd shift on site)
- Minimized disruptions through efficient construction supply chain

### FIN

- Stress tested all KSA projects for business continuity
- Off-takes assured timely payments. All invoices collected on time
- Continuous engagement with stakeholders (lenders/off-takers)
- Force Majeure notices filed with off-takers to preserve rights
- Operating projects effectively managing working capital facilities
- 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

# HIGHLIGHTS FROM MD&A—APMI ONE

Financial results and position – as at and for the six months period ended 30 June 2020

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**General and Administration Expenses at USD 0.8M**

include credit rating fee, agency fee, audit fee, insurance costs and other professional and legal expenses. The increase versus prior period completely driven by the Fitch's initial rating exercise that took place in the first quarter of 2020.

**Other Income at USD 0.8M**

comprises of the income recognised as per the intercompany agreement signed in 2019 between the Company and its affiliate (APGS) for the reimbursement of all general and admin. expenses to be incurred by the Company.

**Finance income at USD 24.7M**

comprises interest income on bond proceeds advanced to an affiliate company and facility fees thereon

**Finance costs at USD 24.7M**

comprises coupon interest expense on Bonds and amortization of debt issuance costs on effective interest rate basis.

**Total assets at USD 905.06M**

representing the outstanding balance of the principal and the accrued interest on a loan to an affiliate company including facility fees and other expenses related to the transaction.

**Total liabilities at USD 803.92M**

representing USD801.18M the aggregate principal of USD814M less deferred finance costs.

# HIGHLIGHTS FROM MD&A—APP

Financial results and position – as at and for the six months period ended 30 June 2020

<b>Revenue</b>	there is no revenue recorded in 2020 from its subsidiaries, consistent with 2019.
<b>Operating costs at SAR 4.4M</b>	comprised of depreciation charges and other expenses. Bowarege assets were fully impaired in 2019 which primarily resulted in reduction of depreciation expense in 2020 by SAR 9.3M.
<b>Share in net results of equity investees at SAR 284.3M</b>	has increased by SAR 145.6M; increase is mainly due to full operation in RABEC and insurance claim recoveries aggregating to SAR 131.4M. In addition, one time gain of SAR 16M was also recorded in QIC on acquisition of additional stake in QPC/HAJR. Partially reduced due to turnaround activity and related inspection cost in RAWEC in 2020.
<b>Profit after zakat and tax for the year from discontinued operations at SAR 63.19M</b>	decrease of SAR 40.7M is mainly on account of transfer of RPC (not part of bond portfolio) to an affiliated company (First National Holding Company).
<b>Equity accounted investments at SAR 3,858.3M</b>	which has increased by SAR 118.8M mainly due to the acquisition of additional stake in HAJR for SAR 94M.
<b>Payables and accruals at SAR 100.1M</b>	increase by SAR 81.8M represents payable of the proceeds due to purchase of additional stake in Hajr which is outside bond portfolio. ACWA Power will fund APP to pay off this liability.



# HIGHLIGHTS FROM MD&A—NOMAC

## Financial results and position – as at and for the six months period ended 30 June 2020

### Revenue at SAR 509.3M

was higher by SAR 26.6M in 2019, or 5.5%, mainly due to additional work of testing and inspection of all pipes, tanks and other equipment carried out during first half of 2020 in RPC.

### Direct costs at SAR 406.5M

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), increased by SAR 31.8M, or 8.5%, to SAR 406.5M in 2020, mainly due to increased maintenance cost in RPC.

### General and administrative expenses at SAR 43.3M

went down by SAR 0.3M in 2020 primarily driven by savings on account of reduction in business travel throughout all entities.

### Share in net results of equity accounted investees, net of tax at SAR 13.5M

refers to NOMAC's share in profits of JOML (O&M Co. of JWAP), which increased by SAR 5.7M versus prior period. 2019 included liquidated damages recognized owing to exhaustion of planned maintenance quota and cost related to one U/G GRP line rupture incident.

### Inventories at SAR 94.1M

increased by SAR 10.1M versus 31 Dec 2019 as part of chemicals and consumables procurement due to COVID-19 crisis plan

### Advances and prepayments at SAR 72.3M

decreased by SAR 14.6M mainly due to release of 100% LC margin held in RPC and settlement of testing and inspection advances against delivery in RPC.

### Cash and Cash equivalents at SAR 125M

increased by SAR 103M due to drawdown of a short-term loan facility to ensure cash availability during the COVID-19 crisis, subsequently reduced and optimised.

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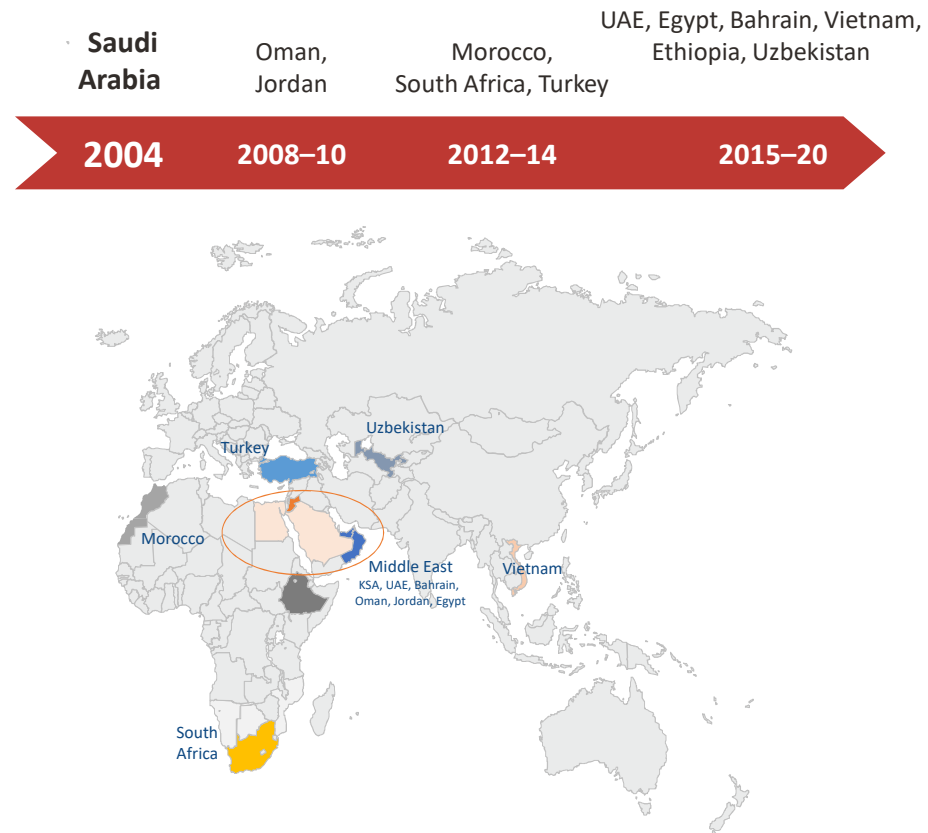
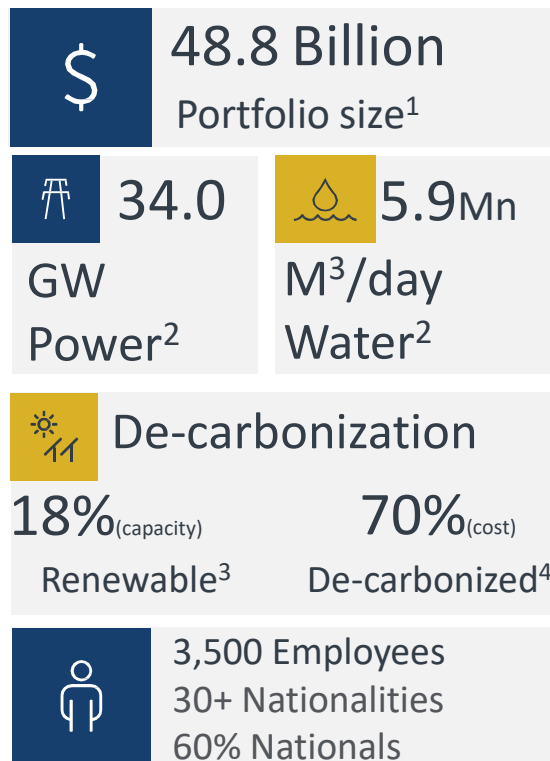
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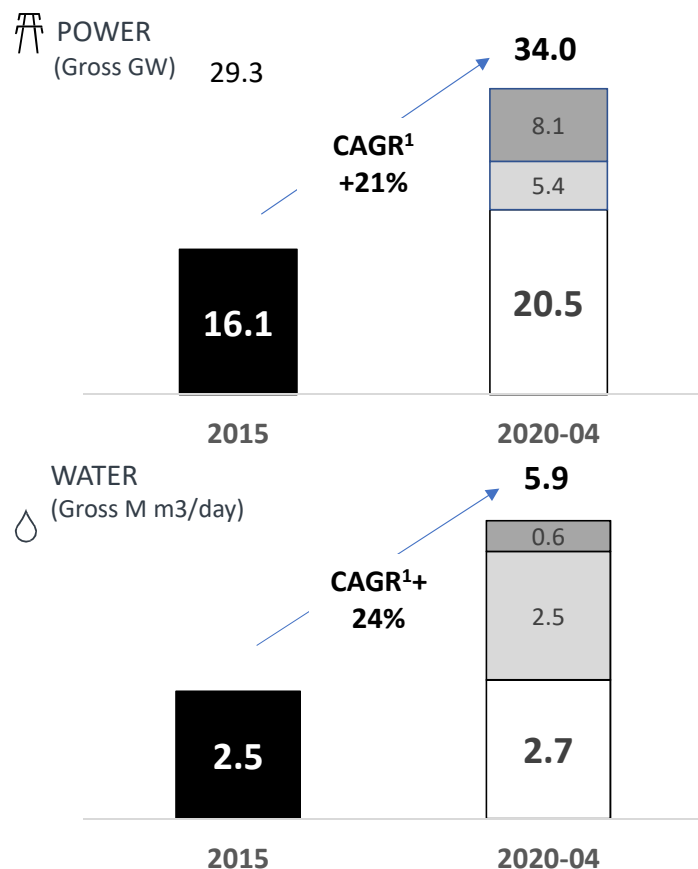
# ACWA POWER

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

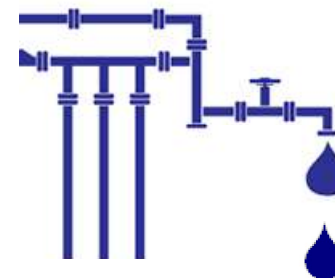


# GROWTH—PAST AND FUTURE

Remarkable growth in the past; strong bid pipeline ahead



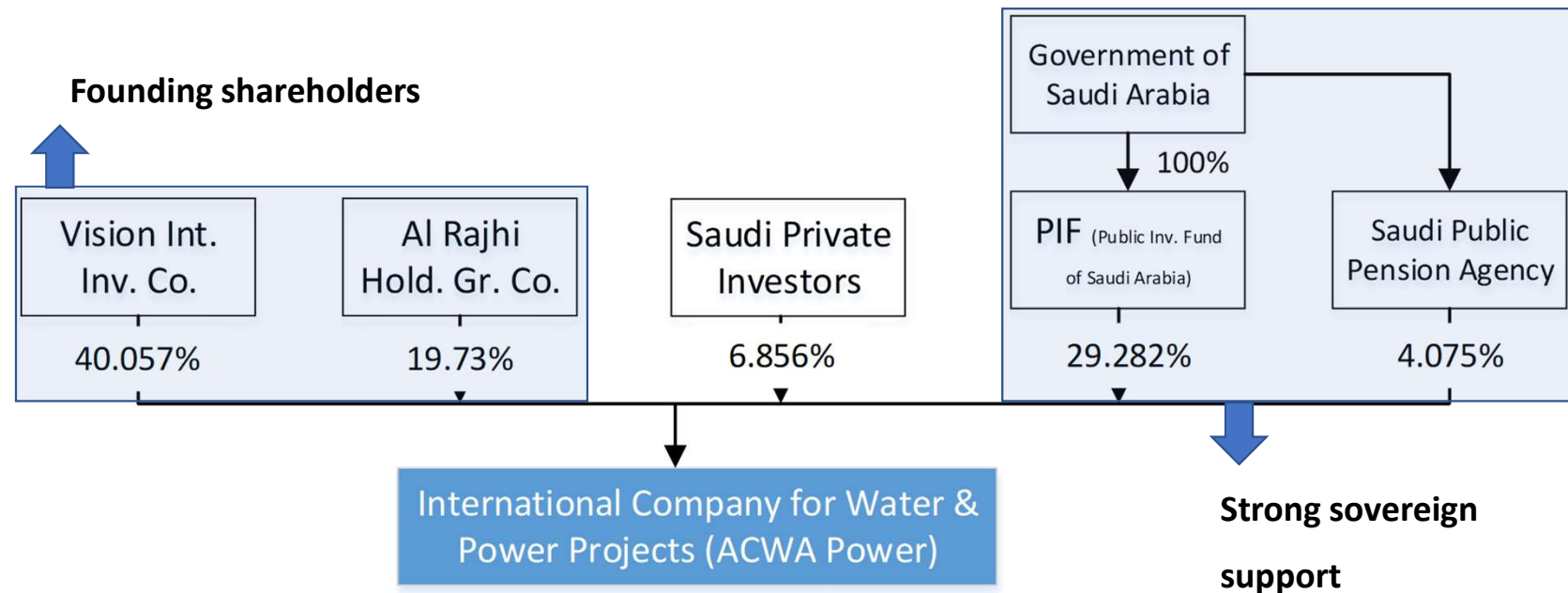
## The Bid Pipeline 2020-2022



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

# SHAREHOLDING STRUCTURE

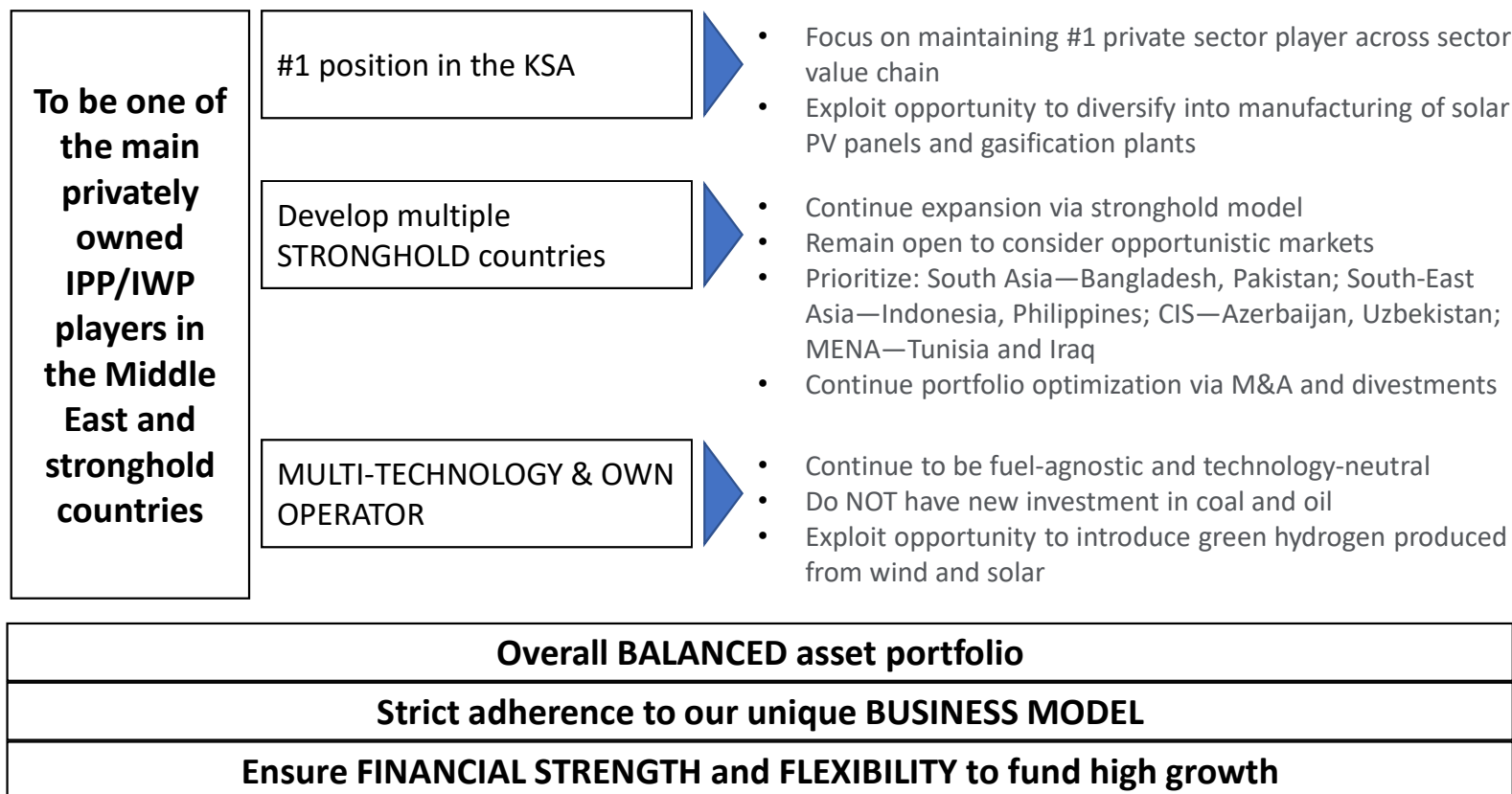
Supportive and reputable shareholder base



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



# BUSINESS MODEL

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

