


ACWA POWER
كوا باور

Bondholders Conference Call

APMI One's ACWA 39 Bonds—8th September 2021

Financial and Operational Results

For the period ended and as at 30 June 2021








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.

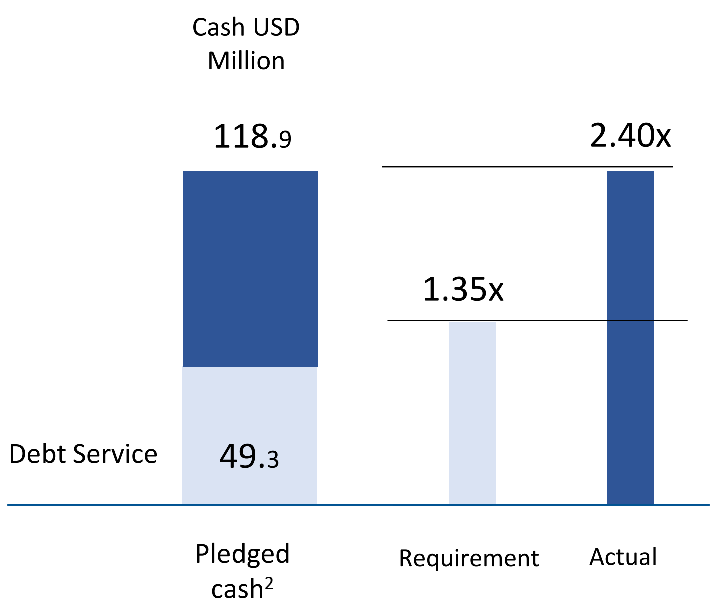
CONTENTS

- ACWA 39 Reporting
  - Debt servicing
  - Matters of significance
  - MD&A highlights
- Q&A

JUNE 2021 DEBT SERVICING

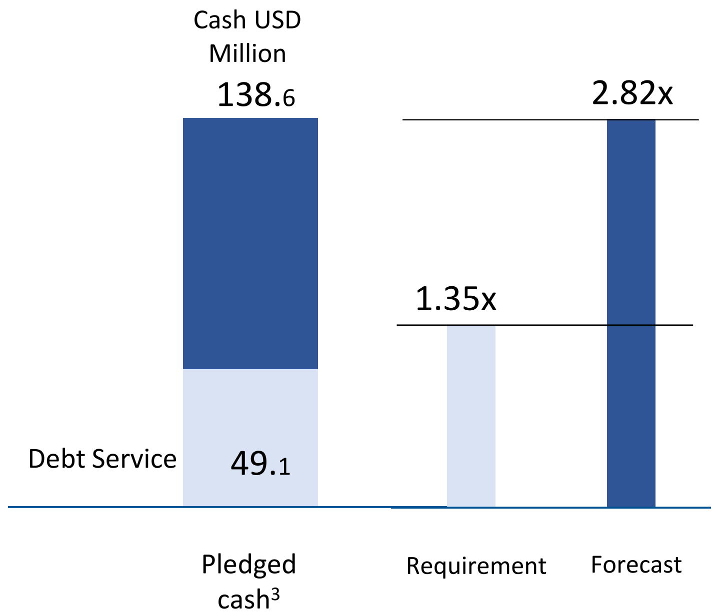
12-month DSCR preceding and succeeding 15 June 2021[1]

ACTUAL



Payment Date

FORECAST



16/06/20 | 12 months Preceding ACTUAL | **15/06/21** | 12 months Succeeding FORECAST | **15/06/22**

- At USD 119 million, actual collection was marginally lower by USD 1 million versus the reported commitment
- A delay in distribution of USD 8 million from JWAP (on account of delayed AGM)
- Mostly offset by higher distributions from RAWEC and NOMAC

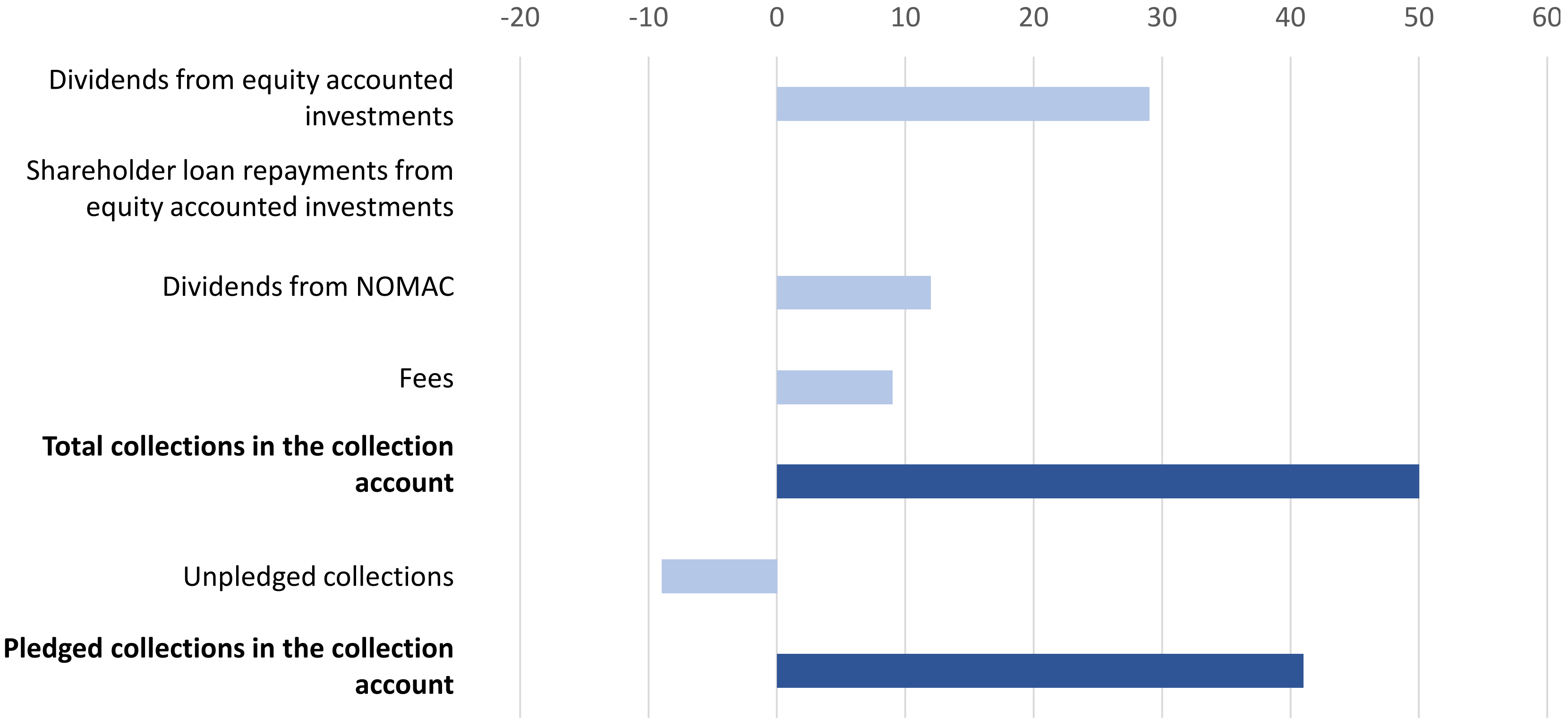
- Higher collections in forecast of approx. USD 20 million versus preceding 12 months period is mainly on account of the timing difference in JWAP's distribution which will now be received in June'22 DSCR cycle, and higher distributions expected from RABEC.
- Forecast 2021 includes a total of USD 6.8 million at risk on two projects. A USD 2.9m, due to an outstanding force majeure claim of SWEC with the offtaker and another USD 3.8m due to recent outages on SqWEC. If both events materialized, DSCR would drop by 0.14x.

[1] As per June'21 officer certificate [2] Includes only the pledged cash portion of RAWEC. Non pledged collection of USD 13.5M from RAWEC was excluded from DSCR purposes. [3] Includes only the pledged cash portions of RAWEC and Hajr in the collection account. Non pledged portion of USD 15.5M from RAWEC and USD 1.7M from Hajr were excluded for DSCR purposes.

COLLECTIONS IN THE PLEDGED ACCOUNT

Break down for the period 1 Jan - 30 June 2021(reporting period)

US$ in Millions

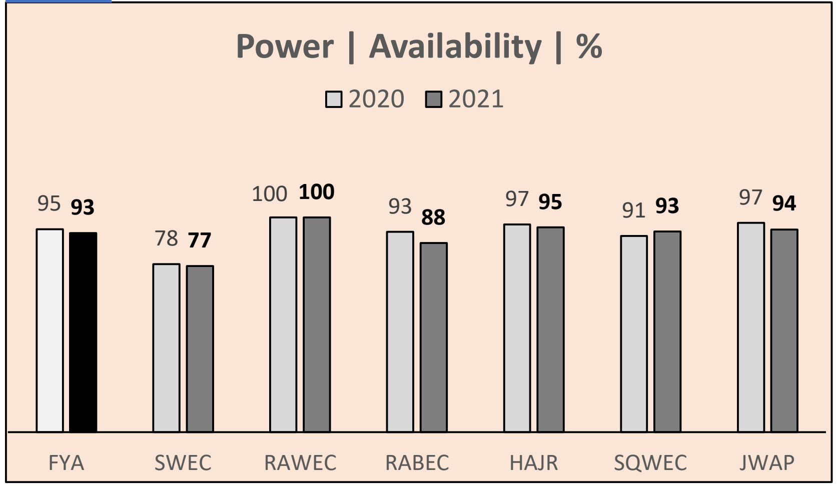


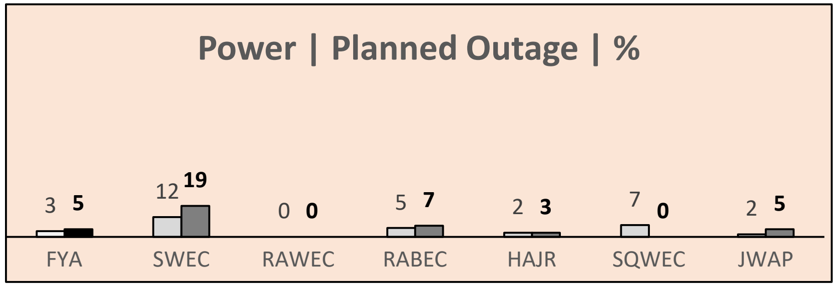
Dividends from equity accounted investments	29 [1]
Shareholder loan repayments from equity accounted investments	0 [2]
Dividends from NOMAC	12 [3]
Fees	9 [4]
Total collections in the collection account	**50** [5]
Unpledged collections	(9) [5]
Pledged collections in the collection account	**41** [5]

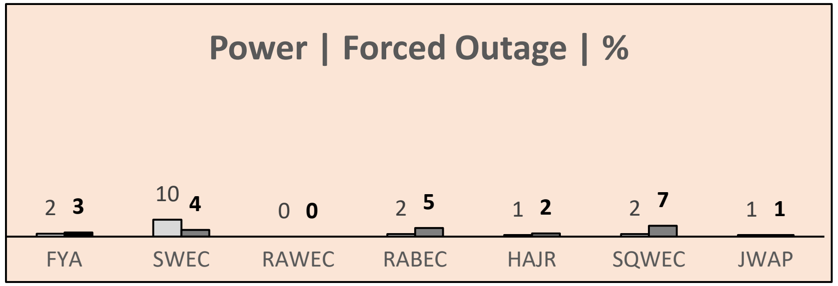
[1] Refer to cashflow statement of APP Financial Statements | [2] Refer to note 5 of APP Financial Statements | [3] Refer to cash flow statement of NOMAC Financial Statements | [4] Settled through intercompany balances | [5] Refer to Note 11 of APMI One Financial Statements

AVAILABILITY – FOR SIX MONTHS PERIOD ENDED 30 JUNE 2021

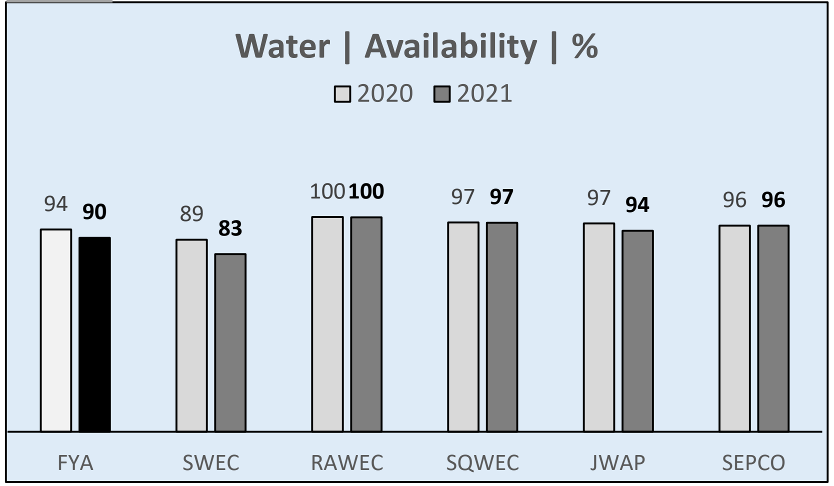
POWER : **93%**

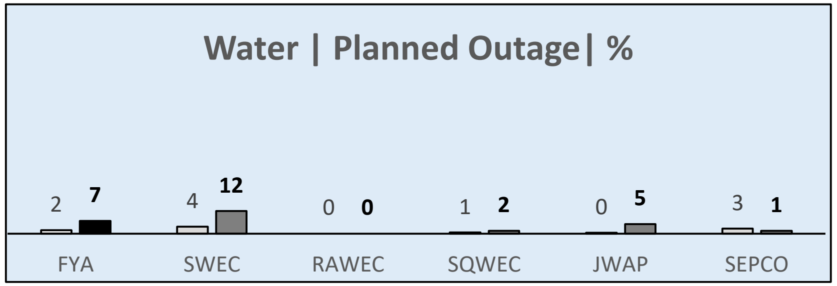


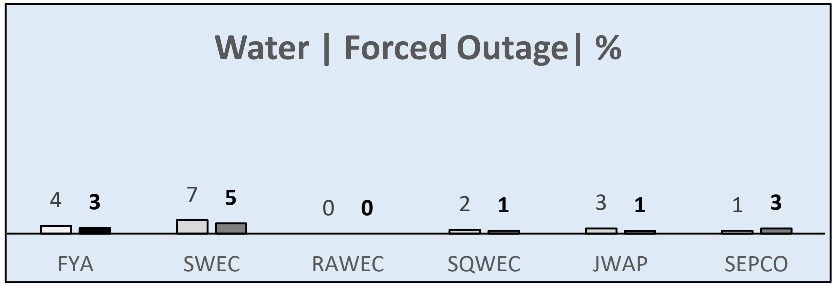




WATER : **90%**







POWER AVAILABILITY:

Power availability for six months period ended 30 June 2021 remains at 93% vs 95% for the same six months period ended last year. Key drivers were as follows;

- SWEC:
  - ➢ The impact was mainly due to de-rating, during planned outage, in order to produce water. Furthermore, higher planned outage incurred, than the budget.
- RABEC:
  - ➢ The difference is primarily due to de-rating as a result of Unit 2 ID Fan B limitation and Unit 2 emergency shutdown resulting from condenser leakage (18 - 23 May). However, the actual availability for 2021 remains to be higher than the budget, as higher forced outage was compensated by lower planned outage.
- HAJR:
  - ➢ The availability in 2021 remains to be higher than the budget. By year end, as per the forecast, it will be higher than 2020
- JWAP:
  - ➢ The difference is mainly due to rescheduling of ST 40 planned outage. However, the availability remains to be higher than the budget, in 2021

WATER AVAILABILITY:

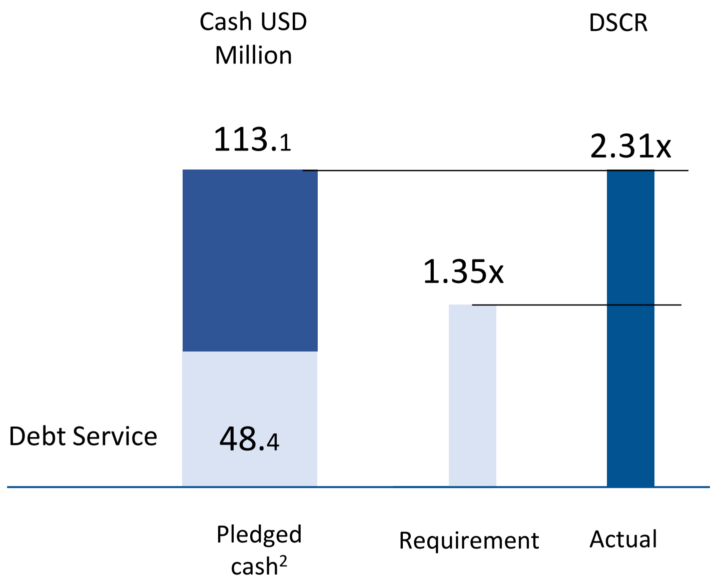
Water availability for six months period ended 30 June 2021 remains at 90% vs 94% for the same six months period ended last year. Key drivers were as follows;

- SWEC:
  - ➢ The impact was mainly due to Group 3 acid cleaning works and partial production on Group 10 as a result of boiler load limitation.
- JWAP:
  - ➢ The impact is mainly due to de-rating during Marafiq GRP line repair works in January and de-rating during block 2 shutdown during May 2021.

FULL-YEAR 2020 / 2021 DEBT SERVICING

12-months preceding and succeeding 31 December 2020[1]

ACTUAL



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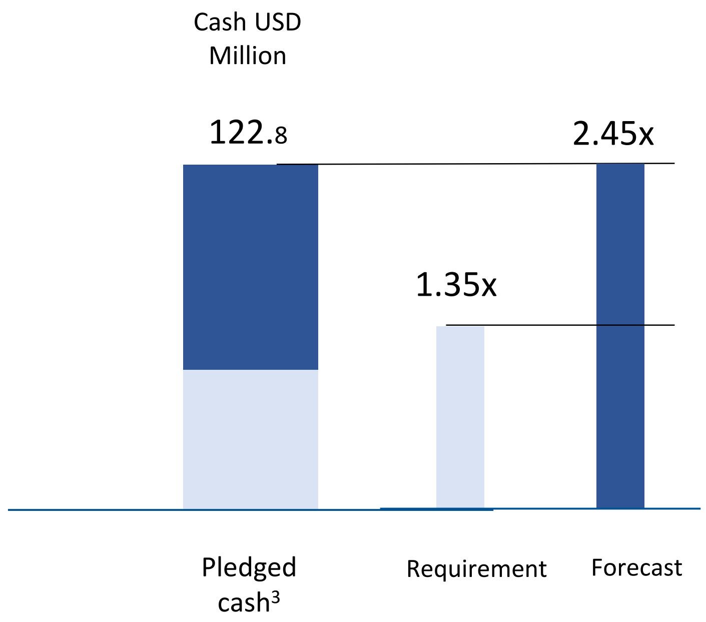

16/12/19	12 months Preceding ACTUAL	**15/12/20**	12 months Succeeding FORECAST	**15/12/21**

- Actual cash collection during the period was USD 113.1 million
- USD 4.9 million higher than latest forecast mainly on account of USD 3 million higher distributions from NOMAC

- Cash collection and DSCR estimates in line with forecast (USD 123 million and 2.45x), slightly (USD 2 million and 0.05x) lower than latest officer's certificate, due to SQWEC outage.
- Actual collections to date are USD 75 million which include pledge collections of USD 58 million.

[1] As per Dec'20 officer certificate [2] Includes only the pledged cash portion of RAWEC. Non pledged collection of USD 9.1M from RAWEC were excluded for DSCR purposes. [3] Includes only the pledged cash portions of RAWEC and Hajr in the collection account. Non pledged portion of USD 15.5M from RAWEC and USD 0.5M from Hajr were excluded for DSCR purposes.

MATTERS OF SIGNIFICANCE POST 8 JULY 2021 CALL — CORPORATE

Matters	Description
IPO of ACWA Power	• On 2 September 2021, the International Company for Power and Water Projects (“ACWA Power” or “the Company”) announced its intention to proceed with an Initial Public Offering (“IPO” or “Offering”) and list its shares on the Main Market of the Saudi Stock Exchange (“Tadawul” or “the Exchange”). • The Capital Market Authority (“CMA”) on 30 June 2021 approved the Company’s application for the Initial Public Offering of 81,199,299 new ordinary shares, representing 11.1% of the Company’s enlarged share capital. The final price at which all subscribers in the Offering will purchase Shares will be determined at the end of the book-building period.
Sudair PV Financial Close	• On 29th July 2021, ACWA Power achieved financial close of Sudair 1500 MW PV project which is one of the world’s largest single-contracted solar PV plants and the largest in Saudi Arabia. • Sudair is the first project awarded as part of the PIF’s renewable projects pipeline, which in total represents 70% of approx. 59GW of renewable projects as part of the National Renewable Energy Program of the Kingdom

MATTERS OF SIGNIFICANCE POST 8 JULY 2021 CALL — ACWA39 PORTFOLIO

Matters	Description
Oil-fired assets (Petro-Rabigh IWSPP, Rabigh IPP, Shuaibah IWPP and Shuqaiq IWPP)	• In line with Saudi Arabia's energy transition targets, ACWA Power has decided to re-evaluate the likelihood of renewal of the off-take agreements of its four oil-fired assets. • The useful lives of two of these assets have been restricted by ACWA Power to the terms of their remaining PPAs with effect from 1 January 2021. The change in the lives of the assets is still under consideration at project level; however, we don't expect this to impact distributions. • On one of the other two assets, discussions on potential extension of contract with the offtaker is in progress. • On the other one, an MOU was signed on 22nd October 2020 for evaluating a conversion into a water plant such that the power and water capacity payments for the plant would still continue as per original schedule till the end of PWPA – thus not impacting distributions from the plant. The offtaker has formally requested ACWA Power to submit the proposal for (a) building a new RO plant in a separate SPV (Note: The new plant will sit outside the bondholder portfolio); and (b) the decommissioning of the existing IWPP. • As part of its capital recycling strategy and following re-evaluation of its exposure to fossil fuel assets in line with its ESG targets, the Group signed an agreement on 7 Sep 2021 for the sale of one of its oil-fired assets (the project company) in addition to a portion of the NOMAC O&M Agreement of such project. The transaction is expected to close in 2022. We will inform the bond holders in due time including how the sale proceeds of such asset will be used in accordance with the indenture.
SQWEC Outages	• During July and August, SQWEC experienced multiple outages due to boiler tube leakages, and suffered c. USD 4 million revenue loss, which is unclaimable BI as it falls within the deductibles. • CAPEX of c. USD 4.5 million has been approved by SQWEC's board to sustain reliability of power supply and prevent/minimize such revenue losses in the future.
Insurance renewals and reclaims	• On average there is 11% reduction in insurance premium across ACWA39 portfolio • All outstanding insurance claims in respect to SQWEC have been approved. Out of the approved claims only USD 3.2 million is yet to be collected.

HIGHLIGHTS FROM MD&A—APMI ONE

Financial results and position – as at and for six months period ended 30 June 2021

General and administration expenses at USD 0.09M	include credit rating fee, agency fee, audit fee, insurance costs and other professional and legal expenses. The decrease versus a year ago driven by Fitch's initial rating exercise that took place in the first quarter of 2020.
Other income at USD 0.19M	comprises 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 and few other financial charges 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 24.8M	comprises coupon interest expense on Bonds and amortization of debt issuance costs on effective interest rate basis.
Total assets at USD 904.3M	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 803.3M	includes USD801.3M which is the carrying value of bond liability net of deferred finance cost.

HIGHLIGHTS FROM MD&A—APP

Financial results and position – as at and for six months period ended 30 June 2021

Revenue	post expiry of WPA and later disposal of barges, APP has no revenue from its subsidiaries, consistent with 2020.
Operating costs	similar to the revenue, there is no operating cost after disposal of barges in December 2020
Share in net results of equity investees at SAR 164.0M	has decreased by SAR 120.4M; higher depreciation in RABEC (SAR 58.8M) and SQWEC (SAR 35.7M) in line with the Company's decision to change the useful lives of these two oil-fired assets, insurance claim income of SAR 67.6M (APP share) in RABEC and one time gain in Hajr of SAR 16.7M, in the previous period. This was partially offset by increase in income from RAWEC by SAR 18.9M mainly on account of lower operating expenses in Jun'21 due to turnaround and inspection charges incurred in Jun'20, and lower finance cost driven by scheduled loan repayment during the period.
Profit after zakat and tax for the year from discontinued operations at SAR 82.0M	represents 37% share of results of RAWEC (non pledged stake); higher by SAR 18.9M mainly due to lower operating expenses in Jun'21 due to turnaround and inspection charges incurred in Jun'20, and lower finance cost driven by scheduled loan repayment during the period.
Equity accounted investments (EAI) at SAR 4,223.8M	which has increased by SAR 233.8M mainly due to share in profits (SAR 164M) and share in comprehensive income (SAR 136.7M) of EAI recognized during the period which was partially offset by dividends distribution of SAR 61.4M.
Payables and accruals at SAR 12.0M	decreased by SAR 93.3M mainly driven by settlement of payable to the shareholder for acquisition of additional stake in HAJR (SAR 94M).

HIGHLIGHTS FROM MD&A—NOMAC KSA
(FIRST NATIONAL OPERATION & MAINTENANCE COMPANY LIMITED AND ITS SUBSIDIARIES)

Financial results and position – as at and for six months period ended 30 June 2021

Revenue at SAR 511.3M	was marginally higher by SAR 1.9M in 2021, or 0.38%, on account of higher revenues from NOMAC (SAR 8.6M) and ROMCO (SAR 12.5M). The increase was partially offset by decrease in SAR 18.6M revenue from RPC which was there in June'20 period as a result of testing and inspection services performed; due every 4 years.
Direct costs at SAR 375.5M	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), decreased by SAR 30.9M, or 7.6%, to SAR 375.5M in 2021, mainly due to no testing and inspection work in RPC in 2021; due every 4 years.
General and administrative expenses at SAR 46.1M	went up by SAR 2.8M in 2021 primarily driven by slight increase in business travel and related expenses on easing of travel restrictions as compared to the same period last year.
Share in net results of equity accounted investees, net of tax at SAR 17.4M	refers to NOMAC's share in profits of JOML (O&M Co. of JWAP), which increased by SAR 3.8M versus prior period owing to certain liquidated damage expenses in relation to exhaustion of planned maintenance quota, charged in 2020.
Inventories at SAR 95.2M	decreased by SAR 5.6M versus June'20 due to increase in net consumption during the period and reduction in provision of inventory obsolescence.
Advances, prepayments & other receivables at SAR 103.2M	increased by SAR 33.3M mainly due to reclassification of all debit balances in payables and accruals to advances, prepayments and other receivables.
Cash and Cash equivalents at SAR 40.2M	increased by SAR 8.7M on account of higher receivable collections and withdrawal from working capital facility.
Payables & accruals at SAR 325.1M	increased by SAR 15.7M mainly associated with the increase in amounts payable to various vendors in RPC.

CONTENTS

- ACWA 39 Reporting
  - Debt servicing
  - Matters of significance
  - MD&A highlights
- Q&A

CONTENTS

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Thank you.

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