

Date: 11 November 2021	التاريخ: 11 نوفمبر 2021
To: Boursa Kuwait	السادة / شركة بورصة الكويت المحترمين
Subject: Analyst Conference Transcript for Quarter 3 of 2021	تحية طيبة وبعد،،، الموضوع: محضر مؤتمر المحللين للربع الثالث من عام 2021
With Reference to the above subject, and pursuant to the requirements of Boursa Kuwait Rules as per Resolution No.(1) of 2018, kindly note that the quarterly Analyst Conference was held through a Live Webcast on 8 November 2021 at 1 PM and there was no material information circulated during the conference.	بالإشارة إلى الموضوع أعلاه، و عملاً بقواعد البورصة الصادرة بموجب قرار رقم (1) لسنة 2018 نحيطكم علماً بأن مؤتمر المحللين للربع الثالث من عام 2021 انعقد في تاريخ 8 نوفمبر 2021 في تمام الساعة 1 بعد الظهر عن طريق البث المباشر و لم يتم تداول اي معلومات جوهرية خلال المؤتمر.
- Attached is the presentation of the Analyst Conference and the transcript	- مرفق لكم العرض التقديمي و محضر المؤتمر و تفضلوا بقبول فائق التقدير و الاحترام،،،
Financial Impact: No effect	الأثر المالي: لا يوجد اثر مالي




SHAMAL AZZOUR
شمال الزور
الأولى

Mr. Andrew Paul Frain	السيد/ أندرو بول فران
Board Director and CEO	عضو مجلس إدارة والرئيس التنفيذي
Shamal Az-Zour Al-Oula Power and Water Company K.S.C. (Public)	شمال الزور الأولى للطاقة والمياه ش.م.ك - عامة

ENGLISH	ARABIC
<p>Soha Saniour Good evening everyone, my name is Soha Saniour from Arqaam Capital's equity research team. I'll be hosting and moderating the call for today, and I'm joined with today's speaker, Mr Paul Frain, the company's CEO, and Mr Bobby Agha, the company's CFO. I'd like to welcome everyone to the call. For the next few minutes, The CEO will deliver a statement, and afterwards we will have the Q&A session. I now hand over the call to you, Paul. Please go ahead.</p>	<p>سهي سنيور: مساء الخير جميعاً. اسمي سهي سنيور من فريق البحوث بأرقام كابيتال. سأستضيف وأدير المكالمات اليوم وانضم معي اليوم من المتحدثين، السيد/ بول فرين، الرئيس التنفيذي للشركة، والسيد/ بوبي آغا، المدير المالي للشركة. كما أود أن أرحب بالجميع في المكالمات. في الدقائق القليلة القادمة، سيُبدلي الرئيس التنفيذي ببيانه وبعد ذلك سنفتح المجال لتلقي أسئلتكم والإجابة عليها. وسوف أنقل الكلمة الآن إلى السيد/ بول، تفضل سيدي.</p>
<p>Paul Frain Thank you Soha, and good afternoon everyone, and welcome to our Q3 2021 earnings call. Our agenda for today's call is straightforward. We will start with a discussion of Q3's financial highlights, and the key events, and finally end the call with a Q&A session. I will now be talking about our financial results for the quarter ending Q3 of 2021. Our Q3 operating revenue was KWD 12.9 million, slightly down by a marginal of 2.7% on the same period last year. Our Q3 operating costs were KWD 3.7 million, down by a marginal of 4.8% on the same period last year. Our Q3 gross profit was KWD 9.2 million, slightly down by a marginal of 1.8% on the same period last year. Our Q3 EBITDA was KWD 8.6 million, down by a marginal of 5.3% on the same period last year. Despite gross profit being slightly lower than previous year, our net profit was KWD 3.8 million, up 6.37% on the same period last year, mainly due to lower interest cost as a result of lower interest rates and lower loan amounts, due to principal repayments.</p>	<p>بول فرين: شكراً لك سهي. مساء الخير جميعاً، ومرحباً بكم في المكالمات الجماعية لعرض النتائج المالية عن الربع الثالث من العام 2021. إن جدول أعمالنا لمكالمات اليوم واضح ومباشر. سنبدأ بمناقشة القوائم المالية والأحداث الرئيسية لشركة شمال الزور الأولى خلال الربع الثالث من العام، وأخيراً سنُنتهي المكالمات بفتح المجال لتلقي أسئلتكم والإجابة عليها. سأنتقل الآن بالحديث عن نتائجنا المالية خلال الربع الثالث من العام 2021. بلغت أرباحنا التشغيلية خلال الربع الثالث من العام 12.9 مليون دينار كويتي، بانخفاض طفيف نسبته 2.7% عن الفترة نفسها من العام الماضي. كما بلغت المصروفات التشغيلية خلال الربع الثاني من العام 3.7 مليون دينار كويتي، بانخفاض طفيف نسبته 4.8% مقارنة بالفترة نفسها من العام الماضي. وبلغ مجمل أرباحنا خلال الربع الثالث من العام 9.2 مليون دينار كويتي، بانخفاض طفيف نسبته 1.8% خلال الفترة نفسها من العام الماضي. كما بلغت الأرباح قبل الفوائد والضرائب والإهلاك والاستهلاك خلال الربع الثالث من العام 8.6 مليون دينار كويتي، بانخفاض طفيف نسبته 5.3% خلال الفترة نفسها من العام الماضي. وعلى الرغم من انخفاض مجمل الأرباح عن العام السابق، إلا أن صافي أرباحنا بلغ 3.8 مليون دينار كويتي، بارتفاع نسبته 6.37% خلال الفترة نفسها من العام الماضي؛ ويرجع ذلك بشكل رئيسي إلى انخفاض مصروفات الفوائد نتيجة لانخفاض أسعار الفائدة وانخفاض مبالغ القروض الرئيسية بسبب عمليات إعادة السداد.</p>

<p>The above results are in line with management expectations, and the plant has performed well considering the impact of COVID-19. The main key event to be highlighted is that the board has recently recommended an interim cash dividend of 9 fills per share to be paid. An ordinary general meeting for shareholders to approve the dividends will take place once our regulatory procedures have been finalised. I will now hand over to Soha to start the Q&A session.</p>	<p>كما تتوافق النتائج المذكورة أعلاه مع توقعات الإدارة، فيما كان أداء المحطة جيدًا بالنظر إلى التأثير السلبي لتفشي جائحة كورونا. وتجدر الإشارة أيضًا إلى أن مجلس الإدارة أوصى بتوزيع أرباح نقدية مؤقتة بقيمة 9 فلس كويتي للسهم الواحد. وسوف يُعقد اجتماع الجمعية العمومية العادية للموافقة على هذه التوزيعات النقدية بمجرد الانتهاء من إجراءاتنا التنظيمية. وسأُنقل الكلمة الآن إلى السيدة/ سهى لفتح المجال لتلقي أسئلتكم والإجابة عليها. شكرًا لكِ سهى.</p>
<p>Soha Saniour Thank you so much. We will now be taking questions. If you're thinking of asking questions, please go ahead and send them our way, with typing your question in the chat box on the right. We will be waiting for a minute or two to see the questions that come. Looks like there are no questions on the line. Bobby and Paul, would you like to conclude the call here?</p>	<p>سهى سنيور: شكرًا جزيلاً لك. سوف نفتح المجال لتلقي الأسئلة الآن. إن أردتم طرح سؤال، برجاء المضي قدماً وإرساله لنا من خلال كتابته في مربع الدردشة على اليمين. ولذلك، سننتظر لمدة دقيقة أو دقيقتين لتلقي أسئلتكم. يبدو أنه لا توجد أسئلة لطرحها. هل تريدون إنهاء المكالمة الجماعية الآن يا بوبي وبول؟</p>
<p>Paul Frain Yes, thank you Soha, thank you.</p>	<p>بول فرين: نعم، شكرًا لكِ سهى، شكرًا لكم.</p>
<p>Soha Saniour Thank you so much, thank you everyone for joining us, and see you next quarter.</p>	<p>سهى سنيور: شكرًا جزيلاً لك. شكرًا لكم جميعًا على انضمامكم لنا اليوم؛ ونراكم في الربع التالي من العام.</p>



Shamal Az-Zour Al-Oula Power and Water Company KSC (Public)

2021 Q3 Earnings Webcast

8 November 2021

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BOARD & MANAGEMENT

Board of Directors



Chairman
Ahmad Othman
Al-Mujahid



Vice Chairman
Alexander Katon



**Director and
CEO**
Andrew Paul
Frazer



Director
Ghazi
Abdulrahman
Al-Sanie



Director
Laurent Furedi



Director
Eyad Ali Al-Fakh

Management Team



**Director and
CEO**
Andrew Paul
Frazer

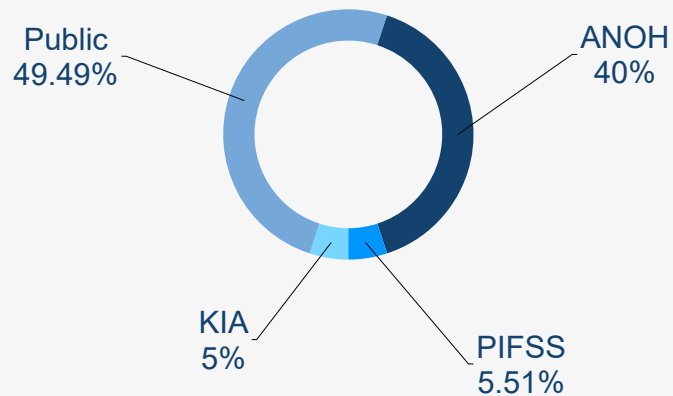


CFO
Bobby Agha



CTO
Naveen Chandra
Jha

OWNERSHIP STRUCTURE



ANOH: Azour North One Holding Company is a private entity owned by a consortium comprising ENGIE, Sumitomo Corporation, and Kuwait's A.H. Al Sagar & Brothers

KIA: Kuwait Investment Authority is the State of Kuwait's Sovereign Wealth Fund.

PIFSS: The Public Institution for Social Security is Kuwait's state-run pension fund.

Public: 50% of the Company's shares were offered to the Kuwaiti citizens in a public offering that took place in October and November of 2019. Subsequently in August 2021, PIFSS increased its stake and the public share was reduced.



AGENDA

- Q3 2021 Financial Highlights
- Key Events
- Questions and Answers

Q3 2021 FINANCIAL HIGHLIGHTS

KWD MILLIONS

	3Q21	3Q20	<i>% Diff</i>	YTD21	YTD20	<i>% Diff</i>
Revenue	12.9	13.3	-2.7%	37.5	38.6	-3.1%
Operating Costs	3.7	3.9	-4.8%	11.0	11.3	-2.3%
Gross Profit	9.2	9.4	-1.8%	26.4	27.4	-3.4%
EBITDA	8.6	9.0	-5.3%	24.6	25.8	-4.6%
Net Profit	3.8	3.6	+6.37%	10.2	9.5	+7.4%


- Revenue was in line with management expectations for Q3 and YTD and was lower YTD due to planned outages at the plant
- Operating costs were lower for the Q3 and YTD
- Gross profit margin remained healthy and consistent in Q3 and YTD
- EBITDA was lower in Q3 & YTD mainly due to lower operating revenue
- Net profit was higher in Q3 & YTD mainly due to lower interest expense as a result of lower interest rates compared to 2020 and loan capital repayments
- Net profit margin increased in Q3 and YTD

KEY EVENTS

- COVID-19 continues to impact the country and several businesses including plant operations. The plant is experiencing challenges with human resource but these are actively being managed given the situation. Results have not been significantly impacted and we hope the country returns back to normal soon in terms of activities, access and travel as we reach towards the tail end of the COVID-19 pandemic

- We continue to maintain a close working relationship with the MEW and invoices continue to be settled within a reasonable timeframe

- The Board has agreed on a recommendation for a dividend of **9 fils per share** which is awaiting final approval from the shareholders at the Ordinary General Meeting

An aerial photograph of a large industrial facility, possibly a refinery or chemical plant, situated along a body of water. The facility features numerous buildings with blue roofs, large storage tanks, and complex piping systems. The foreground shows the greenish water of the body, and the background is a flat, sandy landscape. The text "QUESTIONS AND ANSWERS" is overlaid in the center in a large, white, sans-serif font.

QUESTIONS AND ANSWERS



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