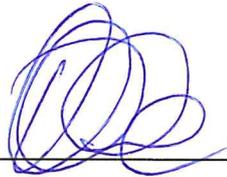


Date: 18 August 2022	التاريخ: 18 اغسطس 2022
To: Bursa Kuwait	الساده / شركة بورصة الكويت المحترمين
Subject: Analyst Conference Transcript for Quarter 2 of 2022	تحية طيبة وبعد،،، الموضوع: محضر مؤتمر المحللين للربع الثاني من عام 2022
With Reference to the above subject, and pursuant to the requirements of Bursa Kuwait Rules as per Resolution No.(1) of 2018, kindly note that the quarterly Analyst Conference was held through a Live Webcast on 16 August 2022 at 1 PM and there was no material information circulated during the conference.	بالإشارة الي الموضوع أعلاه، و عملاً بقواعد البورصة الصادرة بموجب قرار رقم (1) لسنة 2018 نحيطكم علماً بأن مؤتمر المحللين للربع الثاني من عام 2022 قد انعقد في تاريخ 16 اغسطس 2022 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 الإحترام،،،
Financial Impact: No effect	الأثر المالي: لا يوجد اثر مالي




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 Thank you very much. Good evening, everyone. My name is Soha Saniour from Arqaam Capital's equity research team. I will be hosting and moderating the call for today, and I'm joined with today's speaker, which is Mr Paul Frain, the company's CEO, and Mr Bobby Agha, the company's CFO.</p> <p>I'd like to welcome everyone to the call today. For the next few minutes the CEO will deliver his statement, and afterwards we will have the Q&A session. I will now hand over the call to Paul. Please go ahead.</p>	<p>سهي سنيور: شكراً جزيلاً لكم. مساء الخير جميعاً. اسمي سهي سنيور من فريق البحوث بأرقام كابيتال. سأستضيف وأدير المكالمة اليوم وانضم معي اليوم من المتحدثين، السيد/ بول فرين، الرئيس التنفيذي للشركة، والسيد/ بوبي آغا، المدير المالي للشركة. كما أود أن أرحب بالجميع في المكالمة. في الدقائق القليلة القادمة، سيدي الرئيس التنفيذي بيانه 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 Q2 2022 earnings call. Our agenda for today's call is straightforward. We will start with a discussion of Q2's financial highlights and 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 Q2 of 2022.</p> <p>Our Q2 operating revenue was KWD 12.9 million, up by a marginal 0.8% on the same period last year. Our operating costs were KWD 3.9 million, up by a marginal 2.6% on the same period last year. Our gross profit was KWD 9.0 million, which is equal to what was generated the same period last year. Our EBITDA was KWD 8.4 million, also equal to what was generated the same period last year. Our net profit was KWD 3.7 million, up by 2.8% on the same period last year, mainly due to higher operating revenue and lower finance cost.</p> <p>The above results are in line with management expectations, and the plan has performed well. Our main Key Events of Q2 to be highlighted</p>	<p>بول فرين: شكراً لك سهي. مساء الخير جميعاً، ومرحباً بكم في المكالمة الجماعية لعرض النتائج المالية عن الربع الثاني من العام 2022. إن جدول أعمالنا لمكالمة اليوم واضح ومباشر. سنبدأ بمناقشة القوائم المالية والأحداث الرئيسية لشركة شمال الزور الأولى خلال الربع الثاني من العام، وأخيراً سننهي المكالمة بفتح المجال لتلقي أسئلتكم والإجابة عليها. سأنتقل الآن بالحديث عن نتائجنا المالية خلال الربع الثاني من العام 2022.</p> <p>بلغت أرباحنا التشغيلية خلال الربع الثاني من العام 12.9 مليون دينار كويتي، بارتفاع طفيف نسبته 0.8% عن الفترة نفسها من العام الماضي. كما بلغت المصروفات التشغيلية 3.9 مليون دينار كويتي، بارتفاع طفيف نسبته 2.6% مقارنة بالفترة نفسها من العام الماضي. وبلغ مجمل أرباحنا 9.0 مليون دينار كويتي وهذا يعادل ما تم انشاؤه خلال الفترة نفسها من العام الماضي. كما بلغت الأرباح قبل الفوائد والضرائب والإهلاك والاستهلاك 8.4 مليون دينار كويتي، ايضاً يعادل ما تم انشاؤه خلال الفترة نفسها من العام الماضي. كان صافي أرباحنا 3.7 مليون دينار كويتي، بارتفاع نسبته 2.8% خلال الفترة نفسها من العام الماضي؛ ويرجع ذلك بشكل رئيسي إلى ارتفاع إيرادات التشغيل وانخفاض تكلفة التمويل.</p> <p>كما تتوافق النتائج المذكورة أعلاه مع توقعات الإدارة، فيما كان أداء المحطة جيداً. وتجدر الإشارة أيضاً إلى أن أبرز أحداثنا الرئيسية التي يجب تسليط الضوء عليها هي موافقة الجمعية العمومية العادية المنعقدة في 31 مارس 2022 على توزيع أرباح نقدية بقيمة 5 فلس</p>

<p>are the 5 fils dividend which was approved on the AGM, and distributed on 28 April 2022. The board has also approved an interim cash dividend of 7 Fils per share which was paid out on 20 June 2022.</p> <p>I will now hand over to Soha to start the Q&A session. Thank you, Soha.</p>	<p>كويتي للسهم الواحد، والتي وزعت يوم 28 أبريل 2022. و ايضاً بعد موافقة مجلس الادارة تم توزيع أرباح نقدية مرحلية بقيمة 7 فلس كويتي للسهم الواحد في تاريخ 20 يونيو 2022. وسأنقل الكلمة الآن إلى السيدة/ سهى لفتح المجال لتلقي أسئلتكم والإجابة عليها. شكراً لكِ سهى.</p>
<p>Soha Saniour Thank you, Paul. We will now be taking questions. If you're thinking of asking a question, please go ahead and send it our way through typing your question. We will be waiting for a minute or two to see the questions that come in.</p> <p>We currently have no questions on the line. Thank you very much, Paul and Bobby, and with that we will be concluding today's call. Thank you, everyone, for joining us, and see you next quarter.</p>	<p>سهى سنيور: شكراً جزيلاً لك، بول. سوف نفتح المجال لتلقي الأسئلة الآن. إن أردتم طرح سؤال، الرجاء إرساله لنا من خلال كتابته في مربع الدردشة على اليمين. ولذلك، سننتظر لمدة دقيقة أو دقيقتين لتلقي أسئلتكم.</p> <p>يبدو أنه لا توجد حالياً أسئلة لطرحها. شكراً جزيلاً لكما، بول و بوبي. بهذا نختم مكالمتنا الجماعية اليوم. شكراً لكم جميعاً على انضمامكم لنا اليوم؛ ونراكم في الربع التالي من العام.</p>
<p>Paul Frain Thank you. Thanks, Soha.</p>	<p>بول فرين: شكراً لكم. شكراً لكِ سهى.</p>



Shamal Az-Zour Al-Oula Power and Water Company KSC (Public) Q2 – 2022 Earnings Webcast

16 August 2022

DISCLAIMER



This confidential document is provided for informational purposes only. THE INFORMATION SET OUT IN THIS PRESENTATION AND PROVIDED IN THE DISCUSSION SUBSEQUENT THERETO DOES NOT CONSTITUTE AN OFFER OR SOLICITATION OF AN OFFER TO BUY OR SELL SECURITIES IN ANY JURISDICTION. IT IS SOLELY FOR USE AT AN INVESTOR PRESENTATION AND IS PROVIDED AS INFORMATION ONLY. THIS PRESENTATION DOES NOT CONTAIN ALL THE INFORMATION THAT IS MATERIAL TO AN INVESTOR. THIS PRESENTATION HAS BEEN PREPARED BY AND IS THE SOLE RESPONSIBILITY OF Shamal Az-Zour Al-Oula KSCP ("THE "COMPANY").

The information contained in this document is proprietary and confidential to Shamal Az-Zour Al-Oula KSCP. You must only use such information for the purposes of discussions with Shamal Az-Zour Al-Oula KSCP and you must hold such information in strict confidence and not reproduce it or disclose it to any person, except as may be required by law.

You must not place any reliance for any purpose whatsoever on the information contained in this document. No representation or warranty, express or implied, is given by or on behalf of Shamal Az-Zour Al-Oula KSCP or any other person as to the accuracy or completeness of the information or opinions contained in this document and no liability whatsoever is accepted by Shamal Az-Zour Al-Oula KSCP or any other person for any loss howsoever arising, directly or indirectly, from any use of such information or opinions or otherwise arising in connection therewith.

Some information contained in this document has been obtained from sources prepared by other parties and it may not have been independently verified.

The supply of this document does not imply that the information within is correct at any time subsequent to the date of this document.

The information herein may be amended and supplemented and may not as such be relied upon for the purpose of entering into any transaction. This presentation may not be reproduced in whole or in part, distributed or transmitted to any other person without the Company's prior written consent. The information in this presentation and the views reflected there in are those of the Company and are subject to change without notice. All projections, valuations and statistical analyses are provided to assist the recipient in the evaluation of matters described herein. They may be based on subjective assessments and assumptions and may use one among alternative methodologies that produce different results and to the extent that they are based on historical information, they should not be relied upon as an accurate prediction of future performance. This material is not intended to provide the basis for any recommendation that any investor should subscribe for or purchase any securities. This presentation does not disclose all the risks and other significant issues related to an investment in any securities / transaction. Past performance is not indicative of future results. The Company is under no obligation to update or keep current the information contained herein. No person shall have any right of action against the Company or any other person in relation to the accuracy or completeness of the information contained in this presentation. No person is authorized to give any information or to make any representation not contained in and not consistent with this presentation and if given or made such information or representation must not be relied upon as having been authorized by or on behalf of the Company. This presentation does not constitute an offer or an agreement, or a solicitation of an offer or an agreement, to enter into any transaction (including the provision of any services). No assurance is given that any such transaction can or will be arranged or agreed. Certain statements in this presentation may constitute forward-looking statements. These statements reflect the Company's expectation and are subject to risk and uncertainties that may cause actual result to differ materially and may adversely affect the outcome and financial effects of the plan described herein. You are cautioned not to rely on such forward-looking statements. The Company does not assume any obligation to update its view of such risk and uncertainties or to publicly announce the result of any revision to any forward-looking statements made herein.

This document may contain forward-looking statements which, by their nature, involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by these statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described within this document. In particular, actual results may be adversely affected by future developments affecting inflation, interest rates, taxation, social instability or other economic, political or diplomatic or other matters. Forward-looking statements contained in this document that reference past trends or activities should not be taken as a representation that such trends or activities will continue.

BOARD & MANAGEMENT

Board of Directors



Chairman
Ahmad Othman
AlMujalham



Vice Chairman
Alexander Katon



**Director and
CEO**
Andrew Paul
Frain



Director
Ghazi
Abdulrahman
AlSanie



Director
Laurent Furedi



Director
Eyad Ali AlFalah

Management Team



**Director and
CEO**
Andrew Paul
Frain



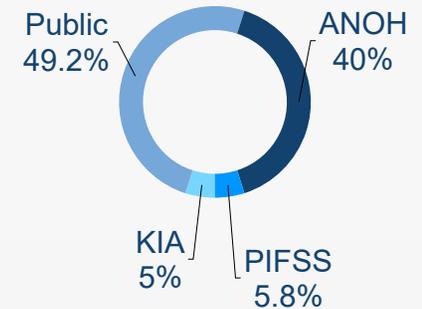
CFO
Bobby Agha



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.



AGENDA

- Q2 2022 Highlights
- Key Events
- Questions and Answers

Q2 2022 HIGHLIGHTS

KWD MILLIONS

	<u>2Q22</u>	<u>2Q21</u>	<i>% Diff</i>	<u>YTD22</u>	<u>YTD21</u>	<i>% Diff</i>
Revenue	12.9	12.8	+0.8%	25.7	24.5	+4.9%
Operating Costs	3.9	3.8	+2.6%	7.8	7.3	+6.8%
Gross Profit	9.0	9.0	-	17.9	17.2	+4.1%
EBITDA	8.4	8.4	-	16.5	16.0	+3.1%
Net Profit	3.7	3.6	+2.8%	7.3	6.4	+14.1%

- Revenue was in line with management expectations for Q2 and YTD, and YTD was higher mainly due to higher availability
- Operating costs were in line with management expectations for Q2, and YTD was higher due to increased operating revenue and indexation
- Gross profit margin remained consistent for Q2, and YTD was higher mainly due to higher operating revenue
- EBITDA remained consistent for Q2, and YTD was higher mainly due to higher operating revenue and lower finance cost
- Net profit was higher in Q2 and YTD, mainly due to higher operating revenue and lower interest expense as a result of lower interest rates and loan capital repayments compared to 2021
- Net profit margin increased in Q2 and YTD, as a result of higher revenue and lower finance cost

KEY EVENTS

- The Company continues to maintain a close working relationship with the MEW and invoices continue to be settled within the required timeframe
- The Annual General Meeting on 31 March 2022 approved a cash dividend of 5 fils per share which was paid out on 28 April 2022
- The Board has recommended and approved an interim cash distribution of **7 fils per share** which was paid out on 20 June 2022.

An aerial photograph of a large industrial complex, possibly a refinery or chemical plant, situated on a sandy peninsula. The facility features numerous buildings with bright blue roofs, extensive piping, and several large white storage tanks. The complex is bordered by a dark green body of water on the right and bottom edges. The text "QUESTIONS AND ANSWERS" is overlaid in large, white, bold, sans-serif capital letters in the center of the image.

QUESTIONS AND ANSWERS



Investor Relations Contact:

Ali Abdulsalam
Compliance Officer and Investor Relations Manager
IR@aznoula.com

aznoula.com
