

Date: 8 August 2023	التاريخ: 8 أغسطس 2023
To: Boursa Kuwait	السادة / شركة بورصة الكويت المحترمين
<b>Subject: Analyst Conference Transcript for Quarter 2 of 2023</b>	تحية طيبة وبعد،،، <b>الموضوع: محضر مؤتمر المحللين للربع الثاني من عام 2023</b>
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 7 August 2023 at 1 PM and there was no material information circulated during the conference.  - Attached is the presentation of the Analyst Conference and the transcript	بالإشارة الى الموضوع أعلاه، و عملاً بقواعد البورصة الصادرة بموجب قرار رقم (1) لسنة 2018 نحيطكم علماً بأن مؤتمر المحللين انعقد في تاريخ 7 أغسطس 2023 في تمام الساعة 1 بعد الظهر عن طريق البث المباشر و لم يتم تداول اي معلومات جوهرية خلال المؤتمر.  - مرفق لكم العرض التقديمي و محضر المؤتمر  و تفضلوا بقبول فائق التقدير و الاحترام،،،
Financial Impact: No effect	الأثر المالي: لا يوجد اثر مالي




Ayaz Agha	اياز اغا
CFO	المدير المالي التنفيذي
Shamal Az-Zour Al-Oula Power and Water Company	شركة شمال الزور الاولى للطاقة و المياه

ENGLISH	ARABIC
<p><b>Ali Abdulsalam:</b> Good afternoon, everyone. My name is Ali Abdulsalam and I am the investor relations manager at Shamal Az-Zour and I will be today's speaker. I'm also joined by Mr Bobby Agha, our CFO, and Mr Samson Fernando, the company's deputy CFO. I'd like to welcome everyone to the call today. Feel free to type in your questions now through the Q&amp;A tab on top of the screen while I speak. After I go through the slides we will have the Q&amp;A session.</p> <p>As you can see this is our agenda for today. We will start with a discussion of Q2's financial highlights and key events and finally end the call with a Q&amp;A session.</p> <p>I will now be talking about our financial results for the quarter ending Q2 of 2023. Our Q2 operating revenue was 13.9 Mn KWD, up by a marginal 5.7% on the same period last year. Our operating costs were 4.3 Mn KWD, up by 10.3% on the same period last year. Our gross profit was 9.6 Mn KWD, up by 6.7% on the same period last year. Our EBITDA was 8.9 Mn KWD, also up by 6% on the same period last year. Our net profit was 3.9 Mn KWD, up by 5.4% on the same period last year.</p> <p>Revenue was higher for Q2 2023 and YTD mainly due to higher availability, production and fuel price reconciliation payments received for prior periods. Operating costs were in line with management expectations for Q2 2023 and</p>	<p><b>علي عبدالسلام:</b> مساء الخير جميعاً. اسمي علي عبدالسلام مدير علاقات المستثمرين في شركة شمال الزور. وسأكون المتحدث اليوم لهذا المؤتمر. وانضم معي اليوم من المتحدثين، السيد/ اياز اغا، الرئيس التنفيذي المالي، والسيد/ سامسون فيرناندو، نائب الرئيس التنفيذي المالي للشركة. كما أود أن أرحب بالجميع في المكالمة. يرجى كتابة أسئلتكم من خلال علامة Q&amp;A وبعد ذلك سنفتح المجال لتلقي أسئلتكم والإجابة عليها.</p> <p>سنبدأ بمناقشة القوائم المالية والأحداث الرئيسية لشركة شمال الزور الأولى خلال الربع الثاني من العام، وأخيراً سننهي المكالمة بفتح المجال لتلقي أسئلتكم والإجابة عليها.</p> <p>سأنتقل الآن بالحديث عن نتائجنا المالية خلال الربع الثاني من العام 2023.</p> <p>بلغت أرباحنا التشغيلية خلال الربع الثاني من العام 13.9 مليون دينار كويتي، ارتفاع بنسبة 5.7% عن الفترة نفسها من العام الماضي. كما بلغت المصروفات التشغيلية 4.3 مليون دينار كويتي، بارتفاع بنسبة 10.3% مقارنة بالفترة نفسها من العام الماضي. وبلغ مجمل أرباحنا 9.6 مليون دينار كويتي بارتفاع بنسبة 6.7% عن الفترة نفسها من العام الماضي. كما بلغت الأرباح قبل الفوائد والضرائب والإهلاك والاستهلاك 8.9 مليون دينار كويتي، ارتفاع بنسبة 6% خلال الفترة نفسها من العام الماضي. بلغ صافي أرباحنا 3.9 مليون دينار كويتي، ارتفاع بنسبة 5.4% خلال الفترة نفسها من العام الماضي.</p> <p>كانت الإيرادات أعلى في الربع الثاني من عام 2023 وحتى تاريخه، ويرجع ذلك أساساً إلى زيادة التوافر والإنتاج وتسوية أسعار الوقود المستلمة للفترة السابقة. كانت تكاليف التشغيل متوافقة مع توقعات الإدارة وكانت أعلى في الربع الثاني من عام 2023 وحتى تاريخه ويرجع ذلك أساساً إلى المؤشرات وزيادة الإنتاج. كان كل من مجمل الربح و الأرباح قبل اقتطاع الفوائد والضرائب والإهلاك والاستهلاك أعلى في نفس الفترة من العام الماضي بسبب ارتفاع الإيرادات التشغيلية، وكان أقل من بداية العام حتى تاريخه بسبب ارتفاع تكاليف التشغيل. كان هامش الربح الصافي أعلى في الربع الثاني</p>

YTD and was higher for the Q2 2023 and YTD mainly due to indexation and higher production. Gross profit and EBITDA were both higher on the same period last year due to higher operating revenue and YTD was less due higher operating costs. Net profit margin was higher for Q2 2023 mainly due to higher revenue, and YTD was less due to higher operating costs and higher finance costs. The above results are in line with management expectations and the plant has performed well and as expected.

Our main key events of Q2 to be highlighted is the distribution of the 4 fils annual dividend for FY 2022 which was distributed on 30 April 2023. We also had an EGM on 1 June 2023, an amendment of the Company's articles to increase the number of Board of Directors from 7 to 9 was approved. Lastly, The Board is planning to convene a meeting shortly to discuss and approve the amount of the q2 interim cash dividend.

I will now start the Q&A session. Please type in your questions now through the Q&A tab on top of the screen.

There are no more questions, thank you for joining our call.

من عام 2023 ويرجع ذلك أساساً إلى ارتفاع الإيرادات ، وكان أقل حتى تاريخه بسبب ارتفاع تكاليف التشغيل وارتفاع تكاليف التمويل. تتماشى النتائج المذكورة أعلاه مع توقعات الإدارة وقد كان أداء المحطة جيداً وكما هو متوقع.

سيتم تسليط الضوء على احداثنا الرئيسية في الربع الثاني من العام ، وهو توزيع أرباح سنوية قدرها 4 فلس عن السنة المالية 2022 والتي تم توزيعها في 30 أبريل 2023. كان لدينا أيضًا اجتماع الجمعية العمومية غير العادية في 1 يونيو 2023 ، وتم الموافقة على تعديل المادة المتعلقة بزيادة عدد أعضاء مجلس الإدارة من 7 إلى 9. أخيراً ، يخطط مجلس الإدارة لعقد اجتماع قريباً لمناقشة مبلغ التوزيعات النقدية المرحلية للربع الثاني.

سأبدأ الآن جلسة الأسئلة والأجوبة. يرجى كتابة أسئلتكم الآن من خلال علامة الـ Q&A أعلى الشاشة.

لا توجد أسئلة أخرى ، شكرًا لك على الانضمام إلى مكالمتنا.





# **Shamal Az-Zour Al-Oula Power and Water Company K.S.C. (Public)**

## **Q2 2023 Earnings Webcast**

**7 August 2023**



© 2020, Shamal Az-Zour Al-Oula Power and Water Company K.S.C.P.

# 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 maybe 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 AlMujalham

Vice Chairman



Alexander Katon

Director and CEO



Andrew Paul Frain

Director



Ghazi AlSanie

Director



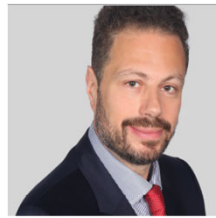
Laurent Furedi

Director



Eyad AlFalah

Director



Axel De Ghellinck

## Management Team



**Director and CEO**  
Andrew Paul Frain



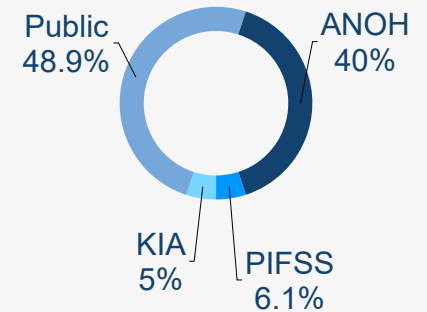
**CFO**  
Bobby Agha



**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 2023 Highlights
- Key Events
- Questions and Answers

# Q2 2023 HIGHLIGHTS

## KWD MILLIONS

	<b>2Q23</b>	<b>2Q22</b>	<i>% Diff</i>	<b>YTD23</b>	<b>YTD22</b>	<i>% Diff</i>
<b>Revenue</b>	13.9	12.9	+5.7%	26.2	25.7	+1.9%
<b>Operating Costs</b>	4.3	3.9	+10.3%	8.5	7.8	+9.0%
<b>Gross Profit</b>	9.6	9.0	+6.7%	17.7	17.9	-1.1%
<b>EBITDA</b>	8.9	8.4	+6.0%	16.3	16.5	-1.2%
<b>Net Profit</b>	3.9	3.7	+5.4%	6.4	7.3	12.3%


- Revenue was inline with management expectations for Q2 2023 and YTD and was higher for Q2 2023 and YTD mainly due to higher availability, production and fuel price reconciliation payments received for prior periods.
- Operating costs were inline with management expectations for Q2 2023 and YTD and was higher for the Q2 2023 and YTD mainly due to indexation and higher production.
- Gross profit margin for Q2 2023 higher due to higher operating revenue and YTD was less due higher operating costs
- EBITDA was higher in Q2 2023 mainly due to higher operating revenue and YTD was less due to higher operating costs.
- Net profit margin was higher for Q2 2023 mainly due to higher revenue, and YTD was less due to higher operating costs and higher finance costs.



# KEY EVENTS

---

- The Company continues to maintain a close working relationship with the MEW and invoices continue to be settled within a reasonable timeframe.
- At the AGM held on 30 March 2023, a final cash dividend for the FY 2022 of **4 fils per share** was approved and this was distributed on 30 April 2023.
- At the EGM on 1 June 2023, an amendment of the Company's articles to increase the number of Board of Directors from 7 to 9 was approved.
- The Board is planning to convene a meeting shortly to discuss and approve the amount of the q2 interim cash dividend, which will disclosed.

An aerial photograph of a large industrial facility, possibly a refinery or chemical plant, situated along a body of green water. The facility features a prominent long building with a bright blue roof, numerous storage tanks, and complex piping systems. The surrounding area is sandy and sparsely vegetated. The text "QUESTIONS AND ANSWERS" is overlaid in large white letters across the center of the image.

# QUESTIONS AND ANSWERS





---

**Investor Relations Contact:**

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

aznoula.com