

Date: 18 May 2022	التاريخ: 18 مايو 2022
To: Boursa Kuwait	الساده / شركة بورصة الكويت المحترمين
<b>Subject: Analyst Conference Transcript for Quarter 1 of 2022</b>	تحية طيبة و بعد،، الموضوع: محضر مؤتمر المحللين للربع الاول من عام 2022
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 Monday 16 May 2022 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 الي الموضوع أعلاه، و عملاً بقواعد البورصة الصادرة بموجب قرار رقم (1) لسنة 2018 نحيطكم علماً بأن مؤتمر المحللين للربع الاول من 2022 قد انعقد في تاريخ 16 مايو 2022 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 الإحترام،،
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><b>Soha Saniour</b> 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&amp;A session. I will now hand over the call to Paul. Please go ahead.</p>	<p><b>سهى سنيور:</b> شكراً جزيلاً لكم. مساء الخير جميعاً. اسمي سهى 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، سيُدي الرئيس التنفيذي ببيانه وبعد ذلك سنفتح المجال لتلقي أسئلتكم والإجابة عليها. وسوف أنقل الكلمة الآن إلى السيد/ بول، تفضّل سيدي.</p>
<p><b>Paul Frain</b> Thank you, Soha, and good afternoon everyone, and welcome to our Q1 2022 earnings call. Our agenda for today's call is straightforward. We will start with a discussion of Q1's financial highlights and key events, and finally end the call with a Q&amp;A session. I will now be talking about our financial results for the quarter ending Q1 of 2022.</p> <p>Our Q1 operating revenue was KWD 12.7 million, up by a marginal 8.5% on the same period last year. Our operating costs were KWD 3.9 million, up by a marginal 8.3% on the same period last year. Our gross profit was KWD 8.8 million, up by a marginal 8.6% on the same period last year. Our EBITDA was KWD 8.1 million, up by a marginal 6.6% on the same period last year. Our net profit was KWD 3.5 million, up by 25% on the same period last year, mainly due to higher availability and production. The above results are in line with management expectations, and the plan has performed well. Our main key event to be highlighted is that the AGM on 31 March 2022 has approved a cash</p>	<p><b>بول فرين:</b> شكراً لك سهى. مساء الخير جميعاً، ومرحباً بكم في المكالمة الجماعية لعرض النتائج المالية عن الربع الأول من العام 2022. إن جدول أعمالنا لمكالمة اليوم واضح ومباشر. سنبدأ بمناقشة القوائم المالية والأحداث الرئيسية لشركة شمال الزور الأولى خلال الربع الأول من العام، وأخيراً سنُهي المكالمة بفتح المجال لتلقي أسئلتكم والإجابة عليها. سأنتقل الآن بالحديث عن نتائجنا المالية خلال الربع الأول من العام 2022.</p> <p>بلغت أرباحنا التشغيلية خلال الربع الأول من العام 12.7 مليون دينار كويتي، بارتفاع طفيف نسبته 8.5% عن الفترة نفسها من العام الماضي. كما بلغت المصروفات التشغيلية 3.9 مليون دينار كويتي، بارتفاع طفيف نسبته 8.3% مقارنة بالفترة نفسها من العام الماضي. وبلغ مجمل أرباحنا 8.8 مليون دينار كويتي، بارتفاع طفيف نسبته 8.6% خلال الفترة نفسها من العام الماضي. كما بلغت الأرباح قبل الفوائد والضرائب والإهلاك والاستهلاك 8.1 مليون دينار كويتي، بارتفاع طفيف نسبته 6.6% خلال الفترة نفسها من العام الماضي. كان صافي أرباحنا 3.5 مليون دينار كويتي، بارتفاع نسبته 25% خلال الفترة نفسها من العام الماضي؛ ويرجع ذلك بشكل رئيسي إلى ارتفاع حجم الإنتاج والمتاح منه.</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</p>

<p>dividend of 5 fils per share, which was distributed on 28 April 2022. The board has also approved an interim cash dividend of 7 fils per share, which will be distributed shortly. I will now hand over to Soha to start the Q&amp;A session. Thank you, Soha.</p>	<p>المنعقدة في 31 مارس 2022 على توزيع أرباح نقدية بقيمة 5 فلس كويتي للسهم الواحد، والتي وزعت يوم 28 أبريل 2022. كما وافق مجلس الإدارة أيضًا على توزيع أرباح نقدية مؤقتة بقيمة 7 فلس كويتي للسهم الواحد، والتي ستوزع قريبًا. وسأنتقل الكلمة الآن إلى السيدة/ سهى لفتح المجال لتلقي أسئلتكم والإجابة عليها. شكرًا لكِ سهى.</p>
<p><b>Soha Saniour</b> 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 in the chat box on the right. We will be waiting for a minute or two to see the questions that come in. 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><b>سهى سنيور:</b> شكرًا 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. يبدو أنه لا توجد حالياً أسئلة لطرحها. شكرًا جزيلاً لكما، بول و بوبي. بهذا نختم مكالمتنا الجماعية اليوم. شكرًا لكم جميعًا على انضمامكم لنا اليوم؛ ونراكم في الربع التالي من العام.</p>
<p><b>Paul Frain</b> Thank you. Thanks, Soha.</p>	<p><b>بول فرين:</b> شكرًا لكم. شكرًا لكِ سهى.</p>





# Shamal Az-Zour Al-Oula Power and Water Company KSC (Public) Q1 – 2022 Earnings Webcast

16 May 2022



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# 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

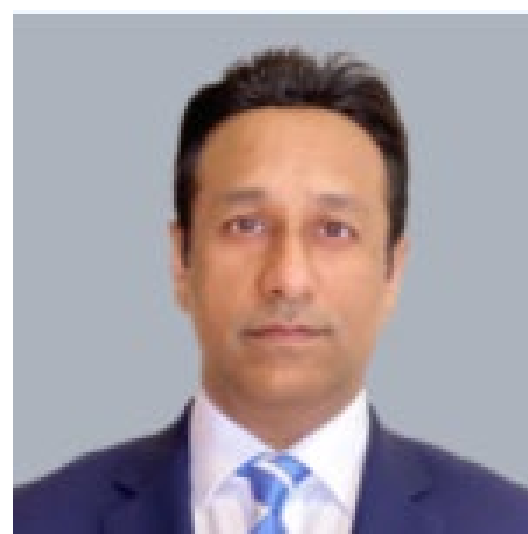


**Director**  
Eyad Ali AlFalah

## Management Team



**Director and CEO**  
Andrew Paul  
Frain

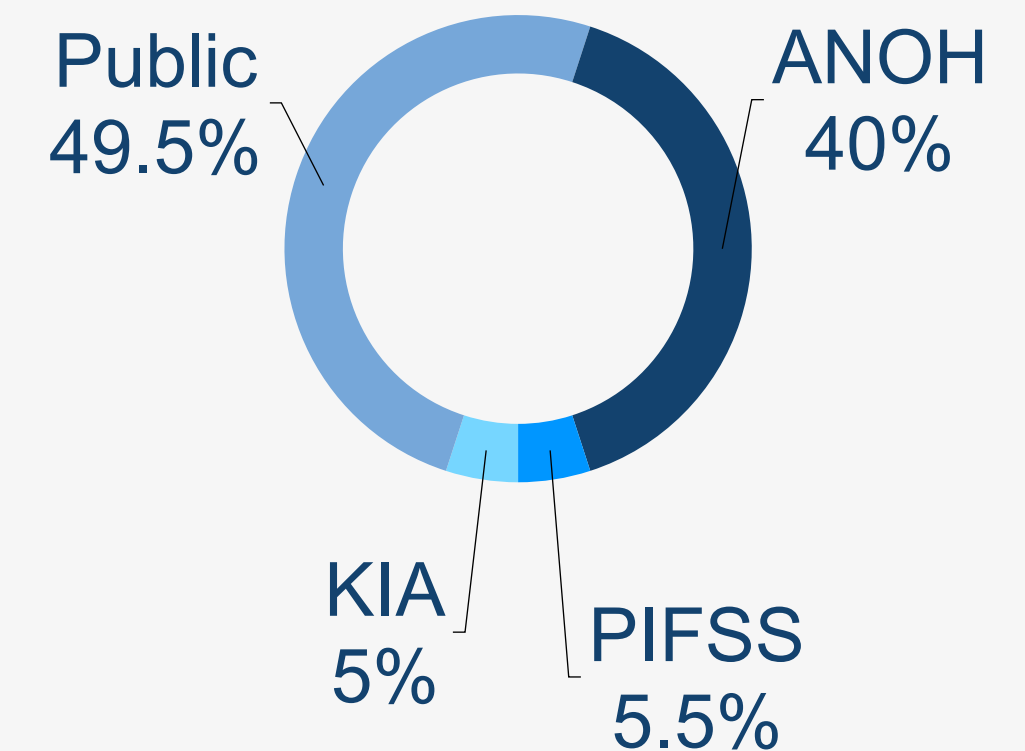


**CFO**  
Bobby Agha



**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

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- Q1 - 2022 Highlights
- Key Events
- Questions and Answers



# Q1 - 2022 HIGHLIGHTS

## KWD MILLIONS

	<u>1Q22</u>	<u>1Q21</u>	<i>% Diff</i>
<b>Revenue</b>	12.7	11.7	+8.5%
<b>Operating Costs</b>	3.9	3.6	+8.3%
<b>Gross Profit</b>	8.8	8.1	+8.6%
<b>EBITDA</b>	8.1	7.6	+6.6%
<b>Net Profit</b>	3.5	2.8	+25.0%

- Revenue was higher due to higher availability and production which was in line with management expectations for Q1 2022.
- Operating costs were higher for the Q1 2022 in line with increased operating revenue.
- Gross profit margin was slightly higher in Q1 2022.
- EBITDA was higher in Q1 2022 mainly due to higher operating revenue and lower finance cost.
- Net profit was higher in Q1 2022 mainly due to higher operating revenue and lower interest expense as a result of lower interest rates compared to 2021 and loan capital repayments
- Net profit margin increased in Q1 2022 as a result of higher revenue and lower finance cost.




# KEY EVENTS

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- 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 MEWRE and invoices continue to be settled within the agreed timeframe
- The Annual General Meeting on 31 March 2022 has approved a cash dividend of 5 fils per share which was paid out on 28 April 2022
- The Board has recommended and approved a interim cash distribution of **7 fils per share.**



An aerial photograph of an industrial facility, likely a refinery or chemical plant, situated in a desert environment. The facility features numerous large white cylindrical storage tanks, several long buildings with bright blue roofs, and a complex network of pipes and structural steel. The foreground shows a body of water with a greenish tint, possibly a reservoir or cooling pond. The overall scene is one of large-scale industrial infrastructure.

# QUESTIONS AND ANSWERS





AL-OULA  
**SHAMAL AZZOUR**  
شمال الزور  
الأولى

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