



ACWA Power Company Earnings Call Presentation

For the three- and nine-months period
ended 30 September 2022

3 November 2022

November 2022



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Acronyms and abbreviations

FC: Financial Close; ICOD: Initial Commercial Operation Date; IPP: Independent Power Project; IWP: Independent Water Project; IWPP: Independent Water and Power Project; KSA: Kingdom of Saudi Arabia; MW: Megawatts; Mvac: Megawatt, alternating current; O&M: Operations and Maintenance; PCOD: Project Commercial Operation Date; PIF: Public Investment Authority (of the KSA); PPA: Power Purchase Agreement; PPP: Public Private Partnership; PV: Photovoltaic; RO: Reverse Osmosis; SWRO: Seawater Reverse Osmosis;

Agenda

- Highlights
- Financial review
- Q&A



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Highlights of the past quarter, outlook for the next

In the third quarter

- Delivered **robust financial results**
- Signed an SPA to bring China's Silk Road Fund as **co-investor**
- Signed the **Heads of Terms** in Uzbekistan for Karakalpakstan Wind IPP
- Brought the Naqa'a IWP in UAE **fully online**

In the fourth quarter this year...

- Brought **the second 300MW unit of the Shuaa Energy 3 PV IPP** online
- Achieved **financial close** for Shuaibah 3 IWP
- Completed refinancing of the **Shuaibah IWPP**
- Expect **a few more** financial closes
- Expect **PPA signing** for the next projects in the PIF pipeline

Global geopolitical and economic conditions are not getting better...

At a time when the cost of everything from technology to components to funding is mounting ...

It is all the more important to **drive growth and build scale**

- We have been successful in both, owing to our resilient business model... supported by our strong financial, governmental, and contractual relationships
- We face challenges in the new high-cost environment in our value chain; we closely monitor and engage all stakeholders for solutions
- I am reasonably confident of our continuing positive momentum in driving growth and building up our scale in power, water and green hydrogen

New Horizons

- **Green hydrogen**
 - Solid progress for NGHC's (NEOM green hydrogen) financial close
 - Oman, South Africa and Egypt emerging as next opportunities
- **Senegal** desalinated water and natural gas MOUs
- **Sustainable infrastructure financing** MOU with EBRD...
- **Voluntary Carbon Market (VCM)** initiative in Saudi Arabia under PIF sponsorship

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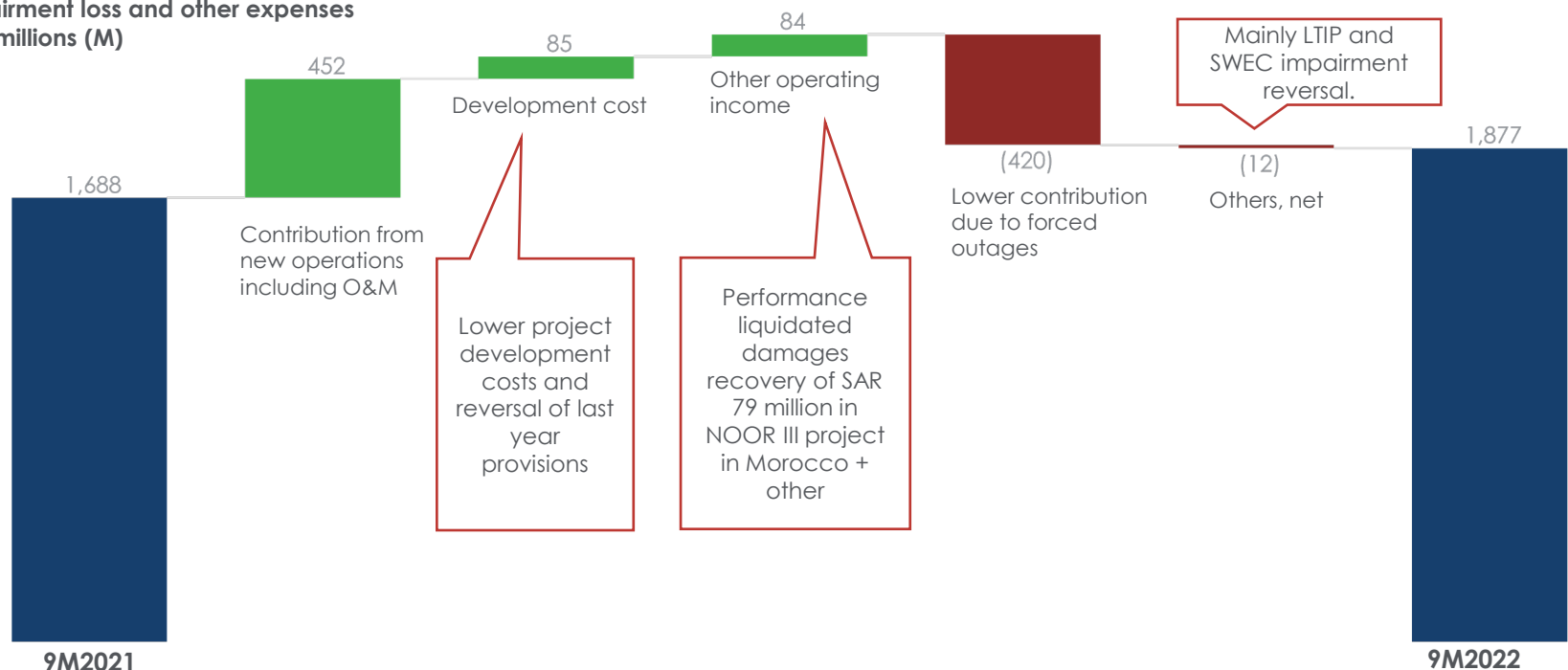
Key financial metrics

Metric	Description	Regular Reporting Frequency	Reporting Platforms
Operating income before impairment loss and other expenses	Consolidated Operating income before impairment loss and other expenses which also includes share in net results of equity accounted investees.	Quarterly	<ul style="list-style-type: none"> Quarterly Investor Report that includes full MD&A together with the audited or reviewed consolidated financial statements Earnings' call presentations Earnings press release
Adjusted profit / (loss) attributable to equity holders of the parent	Adjusted profit / (loss) attributable to equity holders of the parent represent profit / (loss) after adjusting for non-routine & non-operational items.		
Parent Operating Cash Flow (POCF)	(i) Distributions from the project companies and NOMAC; (ii) technical and other management fees and development revenues; and (iii) cash generated by sell-downs and/or disposals of the Company's investments including refinancing. These cash inflows are then reduced by parent level general, administrative and Zakat expenses as well as the financial payments relating to the non-recourse Bond.	Semi-annually	
Total parent net leverage	(i) Borrowings with recourse to the parent and (ii) Off-balance sheet guarantees in relation to Equity Bridge Loans (EBLs) and Equity LCs; equity-related commitments and guarantees on behalf of its JVs and subsidiaries; options entered with the lenders of mezzanine debt facilities taken by the Company's JVs and subsidiaries, net of cash on hand.		
Parent net leverage ratios	<ul style="list-style-type: none"> Parent net debt to POCF (LTM basis for interim periods) Parent level debt to net tangible equity attributable to owners of the Company 		

Operating income (before impairment loss and other expenses)

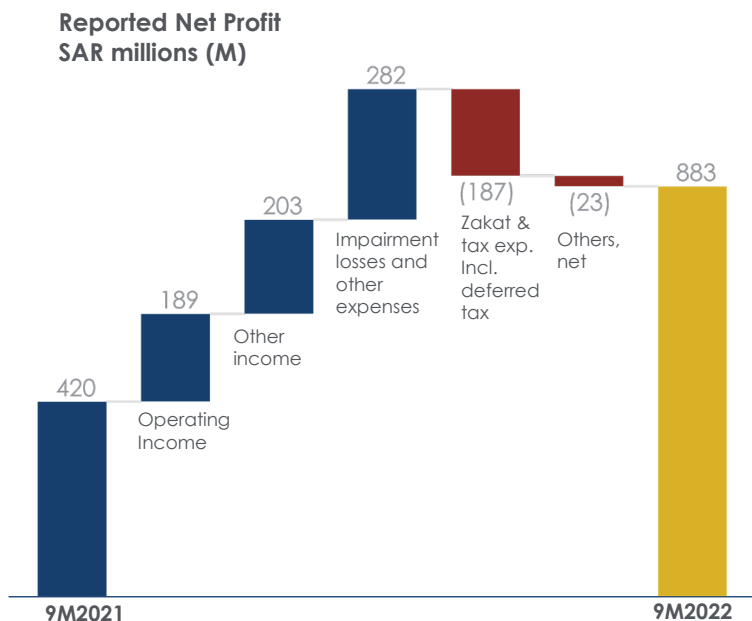
- At SAR1,877M, 11% yoy increase versus 9M2021
- Strong contribution from new or additional online capacity including the O&M income that achieved commercial operation during or after 9M2021 (SAR452M) largely offset by the impact of forced and extended outages (SAR(420M))

Operating income before impairment loss and other expenses
SAR millions (M)



Reported and Adjusted Net Profit (attributable to equity holders of the parent)

Reported Net Profit¹ at SAR 883 M, 110% increase versus 9M2021



Increased mainly due to..

- Higher operating income, income earned on deposits and gain on change in FV of derivatives,
- Recognition of IPO grant expense in 9M 2021.

Offset mainly by ..

- Higher deferred tax expense of due to depreciation of the Moroccan Dirham (MAD),..

Adjusted Net Profit at SAR858M, higher by 7 % versus 9M2021

9M, SAR in millions	2022	2021	% change
Reported Net Profit	883	420	110.4%
Adjustments:			
Impairment in relation to subsidiaries and equity accounted investees, net	-	59	
Provision for zakat and tax on prior year assessments	-	11	
Provision/(reversal) on due from related party	(12)	5	
Provision for long-term incentive plan	-	29	
Reversal on Vietnam coal project development costs	(14)	-	
IPO incentive plan grants expense	-	280	
Total adjustments	(26)	383	
Adjusted net profit	858	803	6.8%

9M2022 adjustments:

- Reversal of Kirikkale provision [SAR(12)M] – against impaired receivables in line with an earlier financial restructuring
- Reversal of Vietnam provision [SAR(14)M] – earlier recorded as project development costs, which is no more required to be paid, following the transfer of the Company's effective shareholding to a new partner

Other matters of significance

- **Divestment of 49% stake in Sirdarya CCGT** – in the consolidated FS, the assets and liabilities are classified as held for sale until completion of the legal formalities (expected by 31 December 2022), when the transactional gain or loss will be recognized
- **Prepayment of outstanding SRF convertible loan** – on account of lower probability of additional conversion to equity in the future, the company prepaid the remaining outstanding balance of this interest-bearing loan
- **Extended forced outage** in Noor III CSP in Morocco likely to continue till the end of the year (earlier expectation was restart in Nov 2022)
 - O&M/OEM teams work to address the issues → 3 plants are back online
 - To ensure long-term reliability of supply, a multi-functional effort in place including the OEMs and supported by a separate Digitalization drive

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