Annual Report
2021

tabreed.ae

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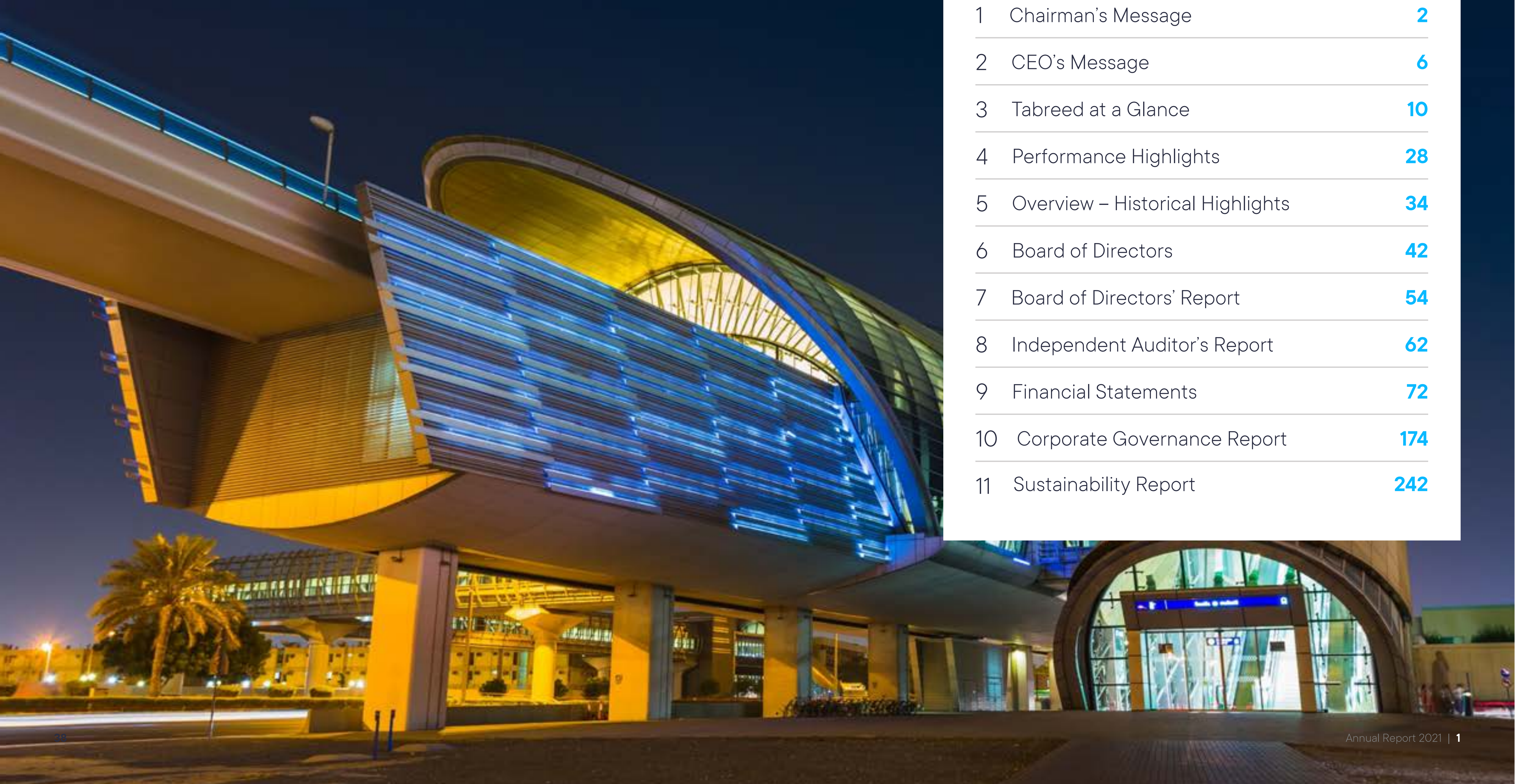


1 Chairman's Message

Tabreed is a company that's more relevant than ever – built on an unswerving pursuit of excellence, with agility, progress and sustainability as central tenets in all our operations. The world is rapidly changing and this company's unrivalled expertise in energy efficiency will undoubtedly see it go from strength-to-strength. The continued success of Tabreed is entirely deserved

During 2020, Tabreed experienced unprecedented growth, resulting from an intense programme of high-profile investments in Abu Dhabi and Dubai. We continued to evolve throughout 2021, reaping the benefits of that expansion and taking the opportunity to relaunch our corporate image with a spectacular, headline-grabbing public unveiling against the Burj Khalifa, which happens to be cooled by us. A springboard, the opening of a new and exciting chapter in the story of Tabreed was an undoubted highlight of the year.

Our annual report shows a company that surpasses expectations and continues to deliver exceptional value to its stakeholders and customers alike. During 2021, group revenue increased to AED 1.95 billion – a 12% increase compared to our 2020 performance. Core chilled water revenue also increased by 12% to AED 1.88 billion and EBITDA increased by 7% to AED 1.03 billion, the results of honing and refining our operations, along with prudent financial planning.

Another highlight for Tabreed during 2021 was the appointment, in May, of Khalid Al Marzooqi as CEO. His methodical approach to business stems from his many years in senior management in some of the UAE's most respected organisations and, more recently, as Chief Operating Officer at Dolphin Energy Limited. I am pleased to see the positive impact his leadership has had on the company and its future plans, of which there are many.

We are more agile than ever, ready to make the right strategic investments in new assets while maintaining our existing portfolio and expanding our array of services. More than a district cooling utilities provider, we are leading experts in energy efficiency and possess unrivalled knowledge that is being put to good use across multiple industries to achieve meaningful, impactful reductions in energy consumption, harmful emissions and financial outlay.

Our operations are approximately 50% more efficient than traditional cooling and, during 2021, Tabreed prevented the release of of 1.39 million metric tons of CO_2 into the atmosphere, equivalent to removing 302,592 vehicles from our roads – a record each of us is incredibly proud of. Tabreed also published its first ESG report, providing greater transparency than ever into its operations and highlighting its unwavering focus on energy efficiency and operational excellence. As for expansion plans, we need look no further than the strategic partnership Tabreed entered with the International Finance Corporation (IFC) during 2021. This was a significant development, joining us with the largest global development institution focused on the private sector in emerging markets, to invest in projects of up to $400 million over the next five years, targeting a portfolio of approximately 100,000 refrigeration tonnes (RT) across India.

As has been said many times, Tabreed is a power for good. What we do brings enormous benefits to our customers, our communities and the environment we all share. Our commitment to energy efficiency will assist this country others to meet carbon reduction targets by reducing the amount of energy consumed while providing cooling services that are undoubtedly essential for life.

Our financial results for 2021 show that we are on the right path, that our long-term plans for growth are robust, sustainable and achievable. We will continue to build on our successes and maintain our position, none of which would be possible without the support of our investors, clients, suppliers and strategic partners.

I would like to thank each and every one of you for your unceasing commitment and I eagerly look forward to sharing Tabreed's achievements with you in the years to come.

Khaled Abdulla Al Qubaisi
Chairman, Tabreed

2 CEO's Message

When I joined Tabreed as Chief Executive Officer in May last year, I knew I was stepping into a role of enormous responsibility. Tabreed is one of the UAE's truly great, home-grown success stories, respected the world over as the leading expert in its field. And in the months that have followed I have been privileged to steer the company as it continues to make its mark, exerting a hugely positive influence on the communities in which it operates.

The past year has been a pivotal one for Tabreed. In April we launched an all-new brand identity, which positions the company as more modern, dynamic, inclusive and progressive. And as we continue to build on this, Tabreed's reputation on the global stage continues to grow, with our portfolio of services being widely acknowledged as essential for a sustainable future. We have been awarded by multiple organisations and attained the highest industry standards, testament to our laser-like focus on operational excellence.

Tabreed is a company that never stands still – progress is at the heart of everything we do and 2021 saw us executing our long-term plans. Another exceptional year for this company, our net income built on Tabreed's recent history, which has seen an average annual growth of 10% since the beginning of 2017. We streamlined our operations and have grown Tabreed's portfolio here in the UAE, adding more than 40,000 Refrigeration Tons (RT) of new connections. We now own the Al Maryah Island district cooling plant in its entirety, exclusively cooling many of Abu Dhabi's most notable and recognisable recent real estate developments, and we successfully integrated two concessions totalling 88,000 RT on Saadiyat Island, with closing achieved during April 2021.

As for 2022, Tabreed is entering new markets and fully intends to expand its presence in existing territories. Already we have made a significant acquisition with the new Al Mouj plant in Muscat, Oman, and have announced commencement of operations in Egypt, a country with enormous potential for us. Our sights are set firmly on increasing our Saudi Arabia portfolio, too. Growth is in Tabreed's DNA but it's never growth for the sake of it – everything we do is for the benefit of our investors and the communities and businesses we are proud to serve.

Something else we can all rightly be proud of is our record 14,738,690 hours worked without a single lost time incident (LTI), the most recent occurring in July 2015. Tabreed's number one priority is its most prized asset – its people – and we continue to set enviable standards in our industry regarding the health, safety and welfare of our staff.

Another highlight of 2021 was Tabreed's participation at the COP26 global summit in Glasgow, Scotland, as part of the UAE's specially selected delegation. Our company's operations benefit everyone, with district cooling playing an essential role in the UAE's drive toward a carbon neutral future, and we are extremely proud of the positive difference we make to the environment.

Environmental concerns are on everyone's minds, as the need for clean energy and sustainable use of resources have taken centre stage all around the world. Tabreed's environmental credentials are impeccable, being the world leader in district cooling, which is vital for significantly reducing energy consumption. During 2021 this company saved 2.33 billion kilowatt hours across the GCC, enough to power 132,590 homes every year, and the bigger our portfolio of plants, the greater these savings will be, which helps sharpen our focus on further acquisitions and sustainable growth.

As remarkable as Tabreed's achievements have been and continue to be, they would not have been possible without the invaluable support and trust of our shareholders and the tireless efforts of each department and individual within the company. I look forward to sharing 2022's results with you next year, as we look back on another 12 months of essential progress and sustainable growth.

Eng. Khalid Abdulla Al Marzooqi
CEO, Tabreed

3 Tabreed at a Glance

One of the world's largest district cooling companies

86 plants

in 5 countries

1.21m RT

delivered to the clients

Equivalent to cooling

Over 121 towers

the size of Burj Khalifa

Environmentally responsible operations reducing green house gas emissions

2.33 billion kWh

annual reduction in energy consumption in the GCC through Tabreed's DC services in 2021

Enough energy to power

132,590

homes in GCC every year

1.39 million MT

elimination of CO_2 emissions

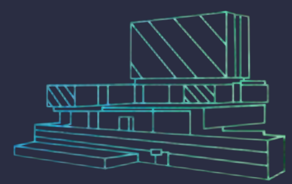
removing

302,592

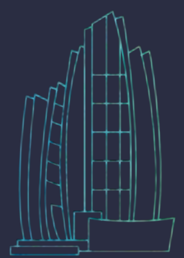
cars annually

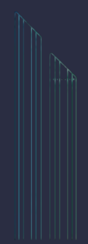
Exclusive provider of DC services to several iconic projects


Burj Khalifa


Cleveland Clinic Abu Dhabi

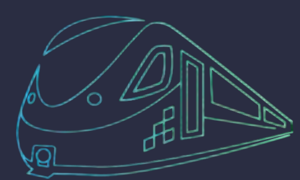

SheikhZayed Grand Mosque

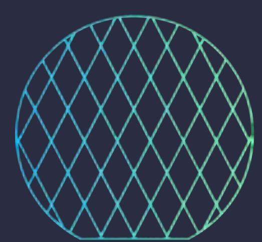

Etihad Towers


World Trade Center


Yas Mall


Ferrari World


Dubai Metro


Aldar HQ

Strong Regional presence

- Largest publicly listed district cooling provider in the region
- Currently present in the UAE, Saudi Arabia, Oman and Bahrain
- Continuing to grow and targeting further expansion in new geographies (India and Egypt)

2021 overview

Developed strong platform to support future growth opportunities

Continued growth achieved through the **acquisition of Saadiyat Island District Cooling, the acquisition of additional stake in Al Maryah Island**, and the divestment of Qatar Cool stakes to provide additional capital to focus on key growth markets

Successful **significant strategic partnership with the International Finance Corporation (IFC)**, a member of the World Bank Group and the largest global development institution focused on the private sector in emerging markets

New and exciting chapter in Tabreed's history by **rebranding the business in terms of its corporate language and identity**

Increasing value and long-term returns for shareholders

Al Maryah Island Cooling Plant

Providing exclusive cooling services to some of Abu Dhabi's most prestigious developments, ownership of the plant was acquired by Tabreed in its entirety during 2021 developments.

- Significant, strategy-led expansion during 2021 let to our acquisition of the remaining 50% stake in the Al Maryah Island plant from Mubadala Infrastructure Partners (MIP)
- The 80,000 RT scheme supplies major entertainment, hospitality, retail, commercial and residential developments
- These include Abu Dhabi Global Market, Cleveland Clinic Abu Dhabi, The Galleria Mall, Rosewood Abu Dhabi and the Four Seasons Hotel

Tabreed's New Identity

In April 2021, Tabreed opened a new and exciting chapter in its history by rebranding the business in terms of its corporate language and identity. For many months leading up to the unveiling, teams of dedicated professionals distilled the essence of Tabreed into the company's new logo, branding, messaging and positioning, culminating in a spectacular light display against the side of the world's tallest building, the Burj Khalifa, broadcast around the world.

More modern, dynamic and universally appealing, Tabreed's new branding has been an enormous success, helping to drive engagement with audiences and increase exposure and awareness. The company has built on this, using it as a springboard to boost its profile which, in 2021, included Tabreed being invited to participate in the COP 26 global environment summit as part of the UAE's selected delegation.

Over the coming months and years, Tabreed will continue to harness the power of its brand identity as it enters new markets and makes a positive impact on the environment and communities in which it operates. Tabreed's operations are a force for good and the company's new branding successfully encapsulates its unrivalled position as the market leader in district cooling and energy services.

Partnering With IFC

Rounding off 2021, in December Tabreed announced it had finalised a significant strategic partnership with the International Finance Corporation (IFC), a member of the World Bank Group and the largest global development institution focused on the private sector in emerging markets.

The partnership will include ownership of Tabreed India being transferred to a new holding company established in Singapore to be jointly owned by Tabreed (75%) and IFC (25%). The holding company will be established with initial equity commitments from the partners of US$100 million with a mandate to invest in projects of up to approximately $400 million over the next five years, targeting a portfolio of approximately 100,000 RT servicing industrial, commercial and retail developments primarily across India and with a view to exploring opportunities in Southeast Asia.

Red Sea Project

Expected to pave way for Saudi Tabreed's expansion in the Kingdom, the Red Sea Project is the world's largest sustainable tourism site and part of Saudi Giga Projects, which hold strategic importance to Saudi Arabia's goals and vision. This project will position KSA on the global tourism market, resulting in global marketing opportunities for utility providers such as Saudi Tabreed.

The leading consortium Saudi ACWA, in which Saudi Tabreed has a 15% stake, successfully secured $1.33 billion in funding and was awarded the contract to drive and operate the renewable power-based multi-utilities infrastructure that will supply The Red Sea Project. It includes 16 luxurious hotel estates with recreation buildings and landscapes, entirely powered by solar and wind energy.

Reaping The Benefits Of 2021

Tabreed's plans in 2021 are already coming to fruition as 2022 begins; the company's measured, strategic expansion being meticulously executed for maximum impact and return on investment.

OMAN

Tabreed has effectively doubled its concession capacity in the Sultanate of Oman, following the acquisition of the 30,000 RT Al Mouj Muscat district cooling plant that was finalised in January 2022. More than 19,000 RT is already connected and operational.

Al Mouj is Muscat's premier real estate development, a joint venture between the UAE's Majid Al Futtaim Properties and Omran, the tourism and development arm of the Omani government. In addition to Oman National Investments Development Company (Tanmia).

This transaction takes Tabreed's tally of owned and contracted district cooling plants in Oman to seven.

EGYPT

An entirely new market for Tabreed, Egypt is a country with enormous potential for future expansion, where district cooling is a relatively recent development. Tabreed, along with the Egyptian Company for Energy and Cooling projects (Gascool) and real estate developer MARAKEZ, has signed a partnership agreement to provide district cooling services to the new D5M mall in New Katameya, east Cairo which was finalized in February 2022.

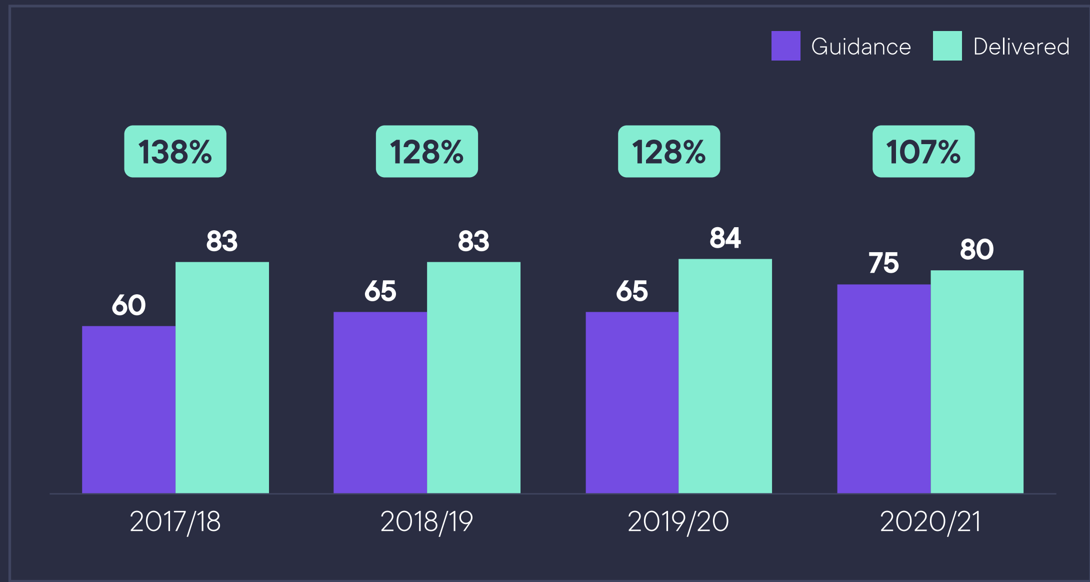
Tabreed is the lead partner of the consortium with a 60% equity stake, while Gascool holds the remaining 40%. The DC plant will be built in phases, its operational ultimate capacity being 6,000 RT contracted under a long-term agreement, with total installed capacity of 7,500 RT.

Connected Capacity (kRT)

Consolidated	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
UAE	925	928	940	954	1,025
Bahrain	32	32	33	33	33
Oman	32	33	33	33	33
Total Consolidated	**989**	**993**	**1,006**	**1,019**	**1,091**
Equity Accounted					
UAE	71	71	71	74	9
KSA	110	110	110	110	110
Total Equity Accounted	**181**	**181**	**181**	**184**	**119**
Total	**1,170**	**1,175**	**1,187**	**1,203**	**1,210**

- Prior period capacity adjusted for Qatar Cool divestment
- Reduction in UAE equity accounted connection due to transfer of Al Wajeez DC capacity to consolidated capacity

Organic Capacity Growth (kRT)



2021/22

- Previously announced capacity guidance of 120k RT to be added over 2021 and 2022
- 40k RT was added in 2021, which included 39k RT in UAE and balance 1k RT in Bahrain
- Also added 18k RT with acquisition of Al Mouj DC assets in January 2022
- Confident of achieving our guidance of 2021 and 2022

2022/23

- New capacity guidance for 2022 and 2023 is 120k RT
- Of the guided capacity around 70% is expected to be contributed by consolidated entities and balance 30% by equity accounted entities

4 Performance Highlights

Financial Highlights: 12M 2021 vs. 12M 2020

Total Revenue
AED 1,955m
+12.3%

Chilled Water Revenue
AED 1,882m
+11.6%

EBITDA
AED 1,033m
+6.6%

Net Income
AED 585m
+6.3%

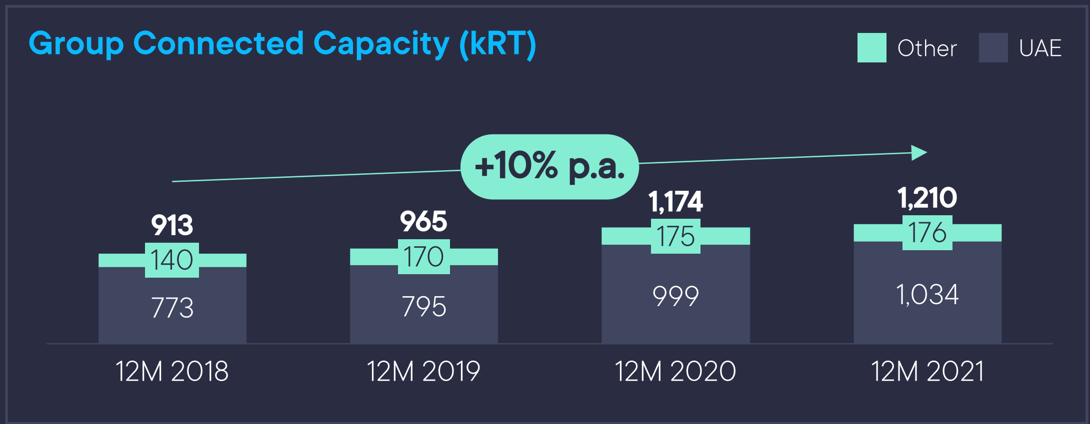
Performance Highlights

- Total Revenue increased by **12.3%**. Chilled Water revenue grew **11.6%**
- EBITDA increased by **6.6% to AED 1,033m** with EBITDA margins of **52.8% in 2021**
- Net Income increased by **6.3% to AED 585m**
- Finalized strategic partnership with the IFC for **expansion in India**
- Added **40k RT in 2021** and **18k RT in January 2022** with the acquisition of Al Mouj Muscat DC Assets
- Saudi Tabreed was part of ACWA Power led consortium awarded multi utilities project for Red Sea in KSA; investor with **15% stake** and will be responsible for district cooling related part of the project
- Proposed dividends of 12 fils, similar to 2020, to be paid **50% in cash and 50% in bonus shares**

Headline Performance

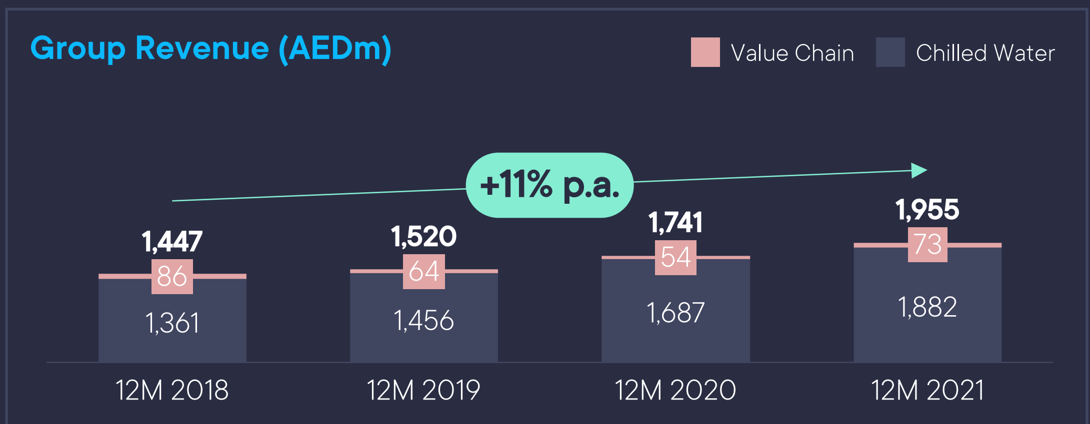
Long-term contracts with credit worthy customers

- Providing over 1.21m RT of cooling across GCC – grown at 10% CAGR since 2018
- Long term contracts (~25 years) mean over 90% of contracted capacity locked in for at least the next 10 years
- About 80% of revenues from wholly government owned and partially government owned entities



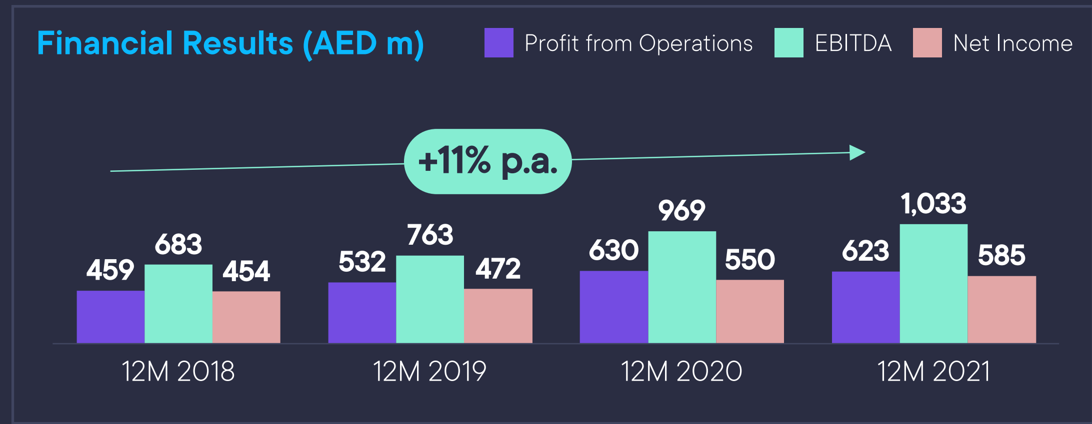
Revenue growth from existing and new business

- Group revenue growing at 11% CAGR since 2018 driven by Chilled Water revenue growth of 11%
- Utility business model leads to steady increases in revenue and profitability from existing customers
- Acquired balance 50% capacity for Al Maryah Island DC concession and Al Mouj DC assets in Oman



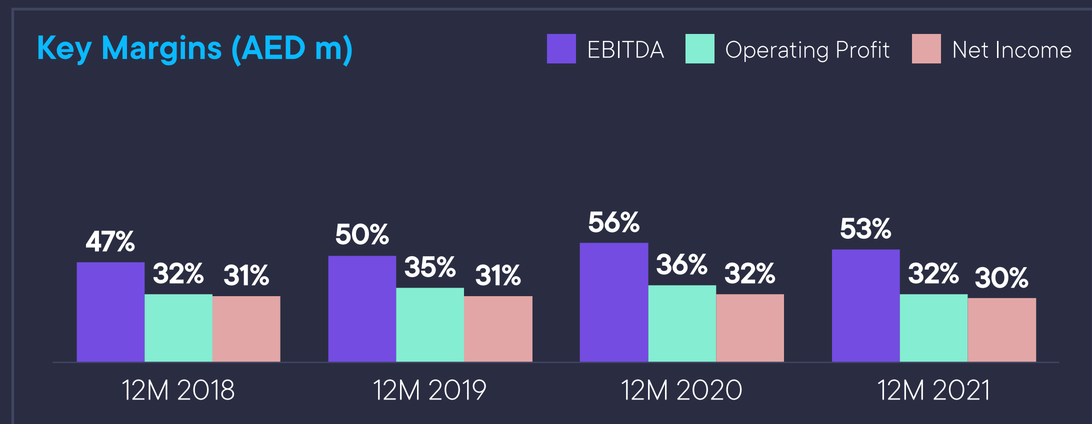
Solid financial performance

- Predictability in earnings driven by capacity charge
- Profit from operations growing at 11% CAGR since 2018
- EBITDA has grown 15% annually since 2018



Value to shareholders

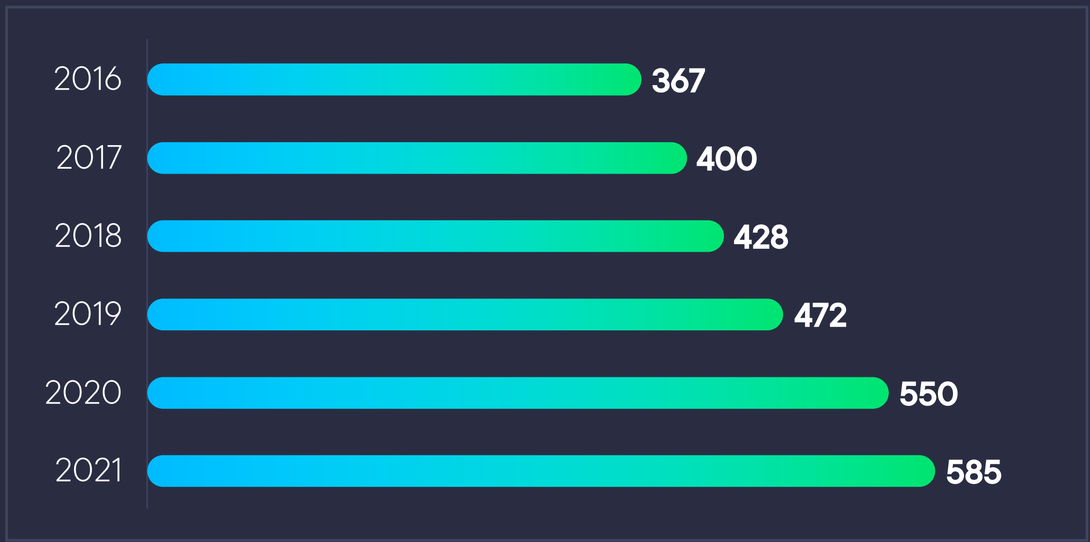
- EBITDA margin of 53% (2018 – 2021 Average Margin: 51%)
- Operating Profit margin of 32% (2018 – 2021 Average Margin: 34%)
- Net Income margin of 30% (2018 – 2021 Average Margin: 31%)
- Strong balance sheet and Stable cash flow generation
- Dividend of 12 fils (cash + bonus shares), inline with prior year distributions.



5 Overview – Historical Highlights

Net Profit (AED m)

With a stable utility business model, Tabreed continues to deliver strong financial and operating performance year on year with rising profitability, stable margins and robust cash flows. 2021 Net income margin was 30%, consistent with the last 5 years average and an average growth of 10% p.a. since 2017.



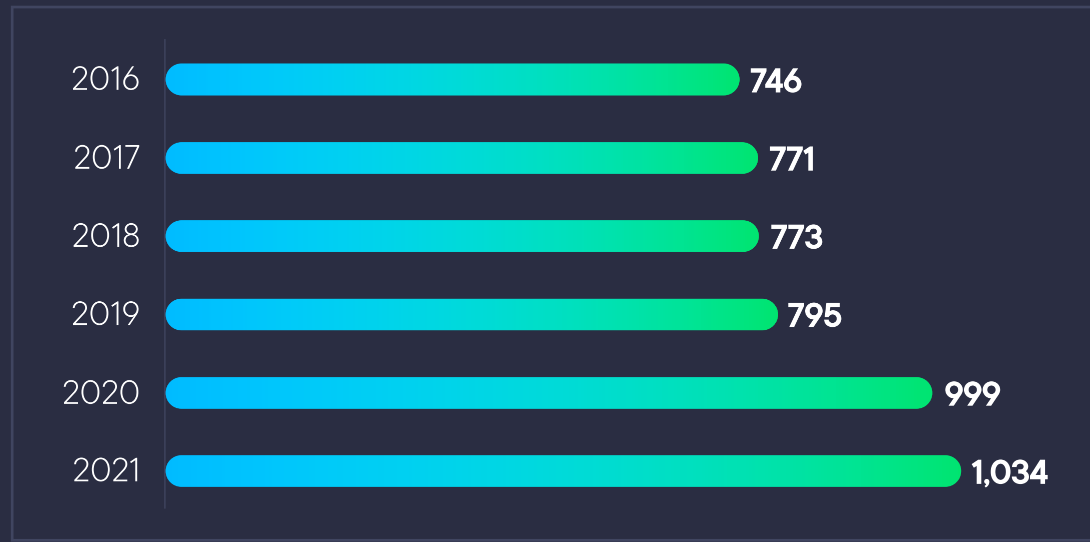
GCC Capacity (kRT*)

Tabreed announced several significant achievements during 2021, including signing of a new acquisition of AL Mouj Muscat DC assets in Oman. Tabreed is well positioned to expand into new geographies in coming years

* Normalized for Qatar Cool divestment

UAE Capacity (kRT)

During 2021 Tabreed achieved the milestone of delivering one million refrigerated tonnes of total connected cooling capacity in the UAE. In addition, Tabreed acquired full ownership of the Al Maryah Plant from our joint venture partner Mubadala Infrastructure Partners.



Profit from operations (AED m)

2021 profit from operations was 32%, consistent with the last 5 years average and an average growth rate of 10% p.a. since 2017. Tabreed continues to prioritize operational efficiency through innovative performance programs focusing on both plant operations and controls. These programs further enhance our sustainability credentials by reducing CO_2 emissions

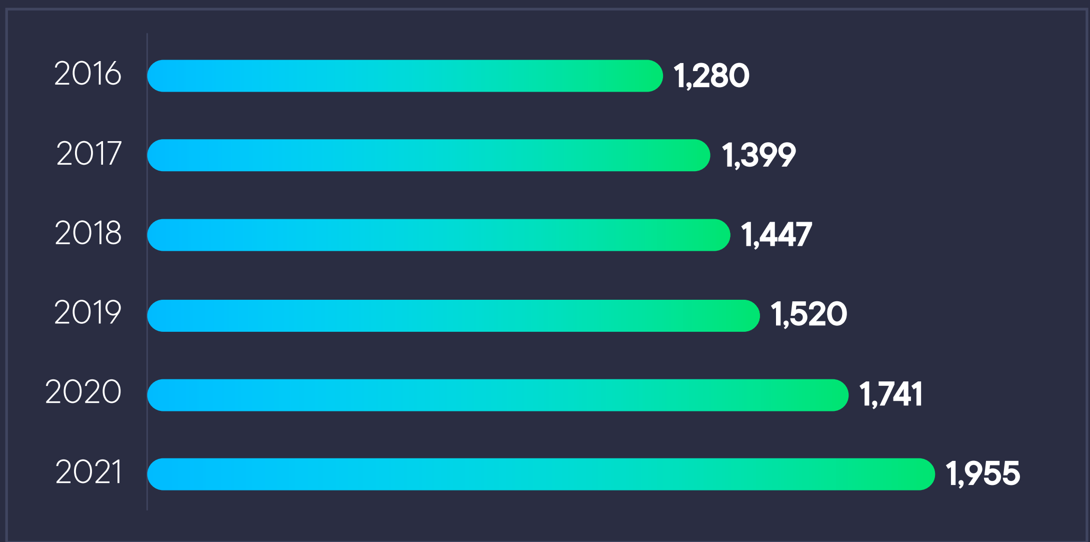
Number of plants*

During 2021 Tabreed added new plants to its portfolio in both the UAE and Oman. The new acquisition of the flagship premium real estate development of Al Mouj in Muscat, Oman demonstrates that Tabreed is the regions cooling partner of choice.

* Normalized for Qatar Cool divestment

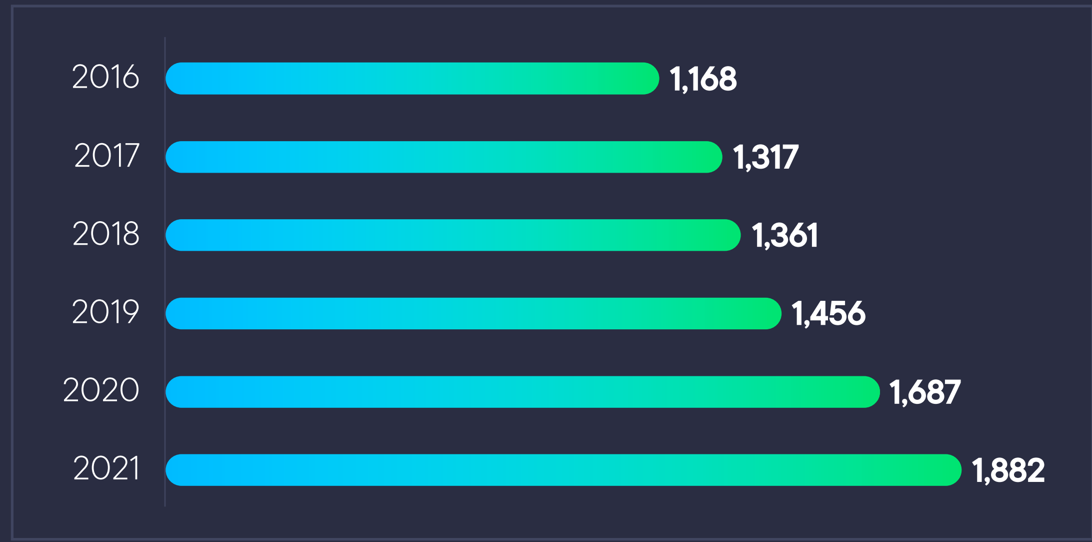
Group Revenue (AED m)

Total revenue increased by 12.3%, led by a 11.6% increase in chilled water revenue, which underscores the Company's strong financial performance and provides stable and predictable long-term returns. The core chilled water business represents 96% of total revenue



Chilled Water Revenue (AED m)

Our core chilled water business model continues to deliver predictable and sustainable returns on the foundation of our long-term, price-certain contracts without customers across the GCC. Around 80% of our revenues come from wholly government owned and partially government owned entities. During 2021, Chilled Water revenue grew 11.6%, through connected capacity of over 1.21m RT of cooling across the GCC.

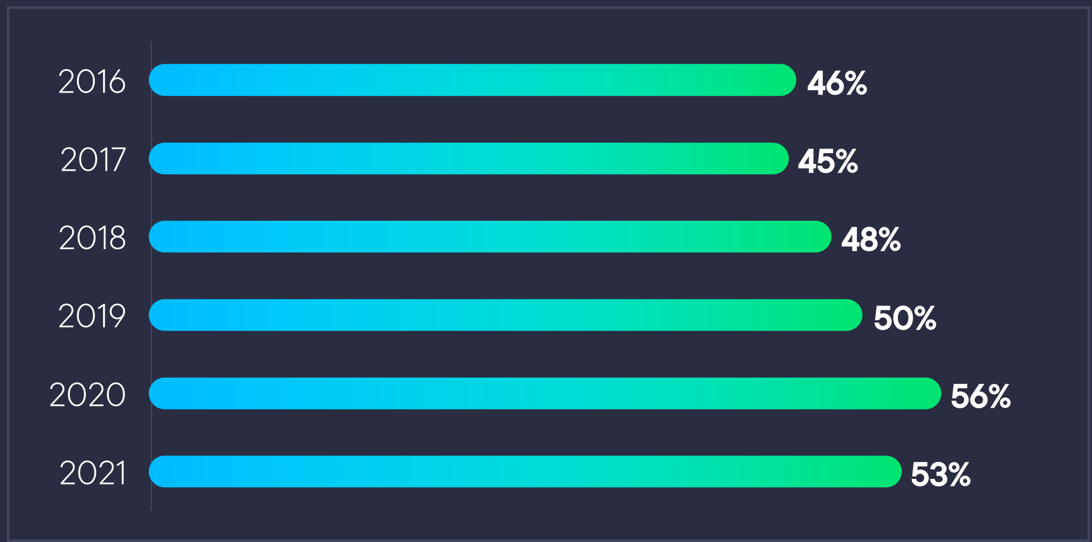


Group EBITDA (AED m)

2021 EBITDA grew by 6.3% with EBITDA margins at 53%. EBITDA has grown at an average annual rate of 13% since 2017. This is driven by a combination of strong chilled water performance, the addition of new customer connections to the portfolio and continued focus on cost control and efficient operations

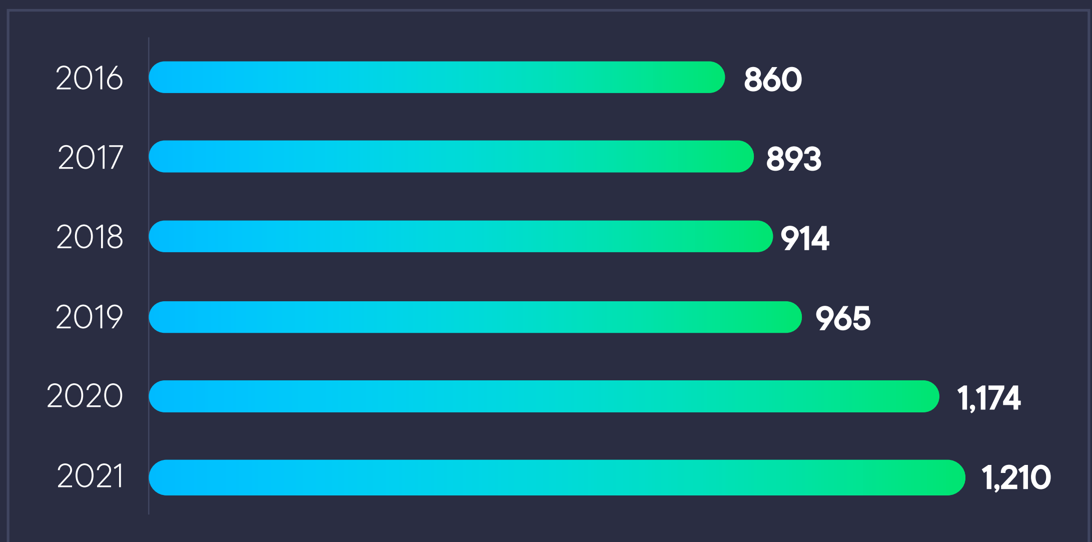
Group EBITDA margin (%)

EBITDA margins continue to be resilient and stable, reflecting the robustness of Tabreed's business model. It also reflects our continual focus on operational efficiencies, performance improvement and cost control. 2021 EBITDA margin is at 53%, in line with the average of recent years.



Group Connected Capacity (k RT*)

During 2021, Tabreed delivered 40k Refrigeration Tonnes (RT) of organic capacity growth resulting in the delivery of 1,210 kRT of cooling capacity at the end of the calendar year. Tabreed acquired the full ownership in Al Maryah Plant from joint venture partner Mubadala Infrastructure Partners, and also signed a new acquisition of Al Mouj Muscat DC assets in Oman.



* Normalized for Qatar Cool divestment

3 Board of Directors

Khaled Abdulla Al Qubaisi

Chairman

Non-Executive, Non-Independent

Khaled Al Qubaisi is the Chief Executive Officer of Real Estate and Infrastructure Investments at Mubadala, overseeing a portfolio of both physical and digital assets around the globe, which includes properties, real estate, and the consolidation of our international infrastructure that offer long-term stable returns across business cycles.

Before joining Mubadala, Mr Al Qubaisi was the Chief Investment Officer at International Capital and was the Head of Corporate Finance and Business Development at the National Bank of Abu Dhabi, where he focused on developing the bank's investment banking capabilities.

He is the Chairman of Finance House PJSC, Vice Chairman of Abu Dhabi Motor Sports Management and is also a board member of Abu Dhabi Future Energy Company (Masdar), Emirates Integrated Telecommunications Company (du), Abu Dhabi Global Market (ADGM), Emirates Nuclear Energy Corporation and Insurance House.

He holds a Master of Project Management (MSPM) degree from George Washington University, and a Bachelor's degree in finance and operations management from Boston University.

Paulo Almirante

Vice Chairman

Non-Executive, Independent

Paulo Almirante is currently Senior Executive Vice President in charge of the Global Business Unit Renewables, Global Energy Management and Nuclear Production activities, and is a member of ENGIE's Executive Committee.

He is a board member of several ENGIE group companies. He holds a Master of Science degree in Mechanical Engineering Production Management and a Master's degree in Mechanical Engineering Thermodynamics from the Instituto Superior Técnico in Lisbon, Portugal.

H.E. Dr Ahmad Bin Abdullah Humaid Belhoul Al Falasi

Board Member
Non-Executive, Independent

His Excellency Dr. Ahmad Belhoul Al Falasi is the Minister of State for Entrepreneurship and SMEs. Under this role, H.E. Dr. Al Falasi is at the fore of designing national initiatives to strengthen the UAE's small and medium enterprise (SME) sector, one of the engines of the national economy, and promote entrepreneurship in various industries.

H.E. is also tasked to set a strategic direction and develop a general national policy for the country's tourism sector. His Excellency previously held positions as CEO of Masdar, Executive Director of Strategy and Tourism Sector Development at Dubai's Department of Tourism and Commerce Marketing, VP at Mubadala and an executive at McKinsey & Company.

His Excellency holds a Ph.D. from Sir John Monash University in Australia, a Master of Science from the University of Melbourne and a Bachelor's degree in Telecommunications Engineering from Khalifa University, UAE.

Mohammed Al Huraimel Al Shamsi

Board Member
Non-Executive, Independent

Mohammed Al Huraimel Al Shamsi is Director of Utilities Investments in Mubadala, where he is responsible for the asset management function of Mubadala's Utilities portfolio, which includes thermal power, water, and district cooling assets.

Prior to Mubadala, he was the director of Strategy and Policy at the UAE Prime Minister's Office. He has also held roles at McKinsey & Company, Dubai International Capital, and General Motors.

He has an MBA from the HEC School of Management – Paris and a Bachelor's degree in Finance from the American University of Sharjah, UAE.

Musabbeh Al Kaabi

Board Member
Non-Executive, Independent

Musabbeh Al Kaabi is the Chief Executive Officer of the UAE Investments Platform and an Investment Committee Member at Mubadala Investment Company. The UAE Investments Platform is a portfolio that supports the UAE's continued acceleration and transformation by building national champions, fostering vibrant industrial and commercial clusters, and engaging with world-class partners.

He previously held the position of CEO of Mubadala Petroleum, Mubadala's wholly owned exploration and production company, from 2014 to 2017. Musabbeh Al Kaabi is currently the Chairman of Mubadala Petroleum and Al Yahsat. He is the Vice Chairman of Masdar, Cleveland Clinic Abu Dhabi and Mubadala Health.

Musabbeh is also a Board member of the UAE International Investors Council, Cepsa, and Dolphin Energy.

Musabbeh Al Kaabi holds a Bachelor of Science degree in Geophysical Engineering from Colorado School of Mines and a Master of Sciences in Petroleum Geoscience from Imperial College, London.

Pierre Cheyron

Board Member
Non-Executive, Independent

Pierre CHEYRON is the Managing Director of Global Business Line Client Solutions and member of the operational executive committee of ENGIE, reporting to the COO of the group.

Until recently, Pierre was the CEO of ENGIE Southeast Asia, leading one of the fastest growing key business clusters in the Asia-Pacific organisation towards Zero-Carbon Transition by delivering integrated solutions to its customers.

Pierre joined ENGIE in 2011 as CEO of Cofely Southeast Asia, and then overseeing all Service activities of ENGIE in the Asia-Pacific region from 2015 to 2018. Prior to ENGIE, Pierre was with Alcatel-Lucent in various key management roles in Asia and Europe. He was appointed President of the Malaysian French Chamber of Commerce & Industry from 2011 to 2015 and is currently a member of the board with the French Chamber of Commerce in Singapore. Pierre holds an Engineering bachelor's degree.

Anne-Laure de Chammard

Board Member
Non-Executive, Independent

Anne-Laure de Chammard is the CEO of ENGIE Solutions International. Anne-Laure de Chammard started her career in the USA as a strategy consultant with the Boston Consulting Group (BCG).

She then served in the French Ministry of Sustainable Development and Energy from 2010, where she led major infrastructure public-private partnership projects (motorways, high-speed railways, offshore windfarms, hydroelectric dams, etc.). She joined the Bureau Veritas Group in 2014 as Regional Managing Director and was appointed Chairman and CEO of Bureau Veritas Construction in 2016. She joined ENGIE in 2019 as Group Chief Strategy, Research & Technology and Innovation Officer, and was promoted to Chief Executive Officer of Engie Solutions International later that year.

Anne-Laure de Chammard graduated from Ecole Polytechnique and Ecole Nationale des Ponts (Corps des Ponts) and holds a Master's degree in Public Policy from Harvard University (Kennedy School).

She also serves on the Board of several companies; she was nominated Young Global Leader of the World Economic Forum in 2021 and is ranked among the top 10 French economic leaders under 40 (Choiseul).

Frédéric Claux

Board Member
Non-Executive, Independent

Frédéric Claux is currently the Managing Director of Thermal & Supply for the AMEA region and the Country Manager for the GCC countries and Pakistan perimeter at ENGIE, with over 20 years of experience at the company.

He also serves as a board member of several power and water assets in the Middle East and of Tabreed.

He graduated from French civil engineering school École Nationale des Ponts et Chaussées and holds an MBA from HEC business school in Paris.

Saeed Ali Khalfan Al Dhaheri

Board Member
Non-Executive, Independent

Saeed Al Dhaheri is an executive Board member of Ali & Sons Holding LLC, where he serves on both the audit and the executive committees.

Moreover, Saeed Al Dhaheri is the Managing Director of Investments at Ali & Sons, overseeing investments in both Real Estate and public & private equities as well as Venture Capital. He is a non-executive director of National Central Cooling Company (Tabreed) and Peninsula Real Estate Management.

His past experience includes working as an analyst for Abu Dhabi Investment Authority and earning a bachelor's degree in Finance from the American University of Dubai.

A strategic board has a view of looking ahead, an insight to look deeper, and competency to look beyond.

4 Board of Directors Report

We are pleased to report on the financial results and operational performance of the National Central Cooling Company PJSC (Tabreed) for the year ended 31 December 2021.

Despite the challenges, Tabreed has navigated the complexities of the pandemic and delivered another remarkably strong performance, across all facets of the business.

This is proof of Tabreed's robust long-term strategy and execution plan that remains well placed to meet its objectives to grow substantially over the next a few years.

Financial highlights

In 2021, Tabreed continued to improve on the strong financial performance of recent years. Highlights include:

- Group revenue increased by 12% to AED 1.95 billion (2020: AED 1.7 billion)
- Core chilled water revenue increased by 12% to AED 1.88 billion (2020: AED 1.69 billion)
- EBITDA increased by 7% to AED 1.03 billion (2020: AED 970.1 million)
- Net profit attributable to the parent increased by 6% to AED 585.2 million (2020: AED 550.3 million)

Operational performance

Tabreed expanded its portfolio to 86 plants with a connected capacity of close to 1.2m RT. This growth has further cemented Tabreed's position as the undisputed leader in District Cooling in the UAE and the region.

- At the end of 2021, total connected capacity increased to 1,210,096 Refrigeration Tons (RT), after adjusting for the divestment of Qatar Cool
- 40,495 Refrigeration Tons (RT) of new customer connections added in 2021
- Successful integration of two concessions totaling 88,000 RT on Saadiyat Island, with closing achieved in April 2021
- Achieved a record of 14,738,690 hours worked without a single lost-time incident (LTI), the most recent occurring in July 2015

Environmental highlights

In 2021, Tabreed's operations reduced the amount of energy utilized for cooling in the GCC by 2.33 billion kilowatt-hours – enough electricity to power approximately 132,590 homes every year. This reduction resulted in preventing the release of 1.39 million metric tons of carbon dioxide emissions into the atmosphere, which is equivalent of eliminating the emissions of 302,592 vehicles annually.

Despite a challenging year, Tabreed achieved a number of notable milestones and delivered on its long-term plans for sustainable growth, operational excellence, and streamlined its operations while expanding across the region. Major highlights are:

January 2021

Tabreed announced the signing of an agreement with Miral to provide district cooling services to SeaWorld Abu Dhabi, a first-of-its-kind marine life theme park being developed by Miral on Yas Island, a top global destination for entertainment, leisure, and business.

Additionally, Tabreed and Masdar expanded the collaboration efforts by developing and connecting Masdar and Tabreed infrastructure to help increase operating synergies further.

Tabreed announced the signing of an agreement with twofour54 to cool its new headquarters Yas Creative Hub in Yas Bay, the first industry-specific facility built for media, entertainment, and gaming in the GCC.

February 2021

Tabreed expanded its R&D funding commitment to boost efficiency and sustainability, launching four pilot projects, which reinforce the company's unwavering commitment towards sustainability. Our stewardship goes beyond just environmental benefits, it also contributes to improvements in operational efficiency and enhances district cooling plant life and reliability.

March 2021

Tabreed also published its first annual ESG Report, which offers greater insights into the company's activities and achievement and sets a baseline for measuring the company's future ESG impact as a key industry leader.

April 2021

This year also witnessed the launch of the new brand identity of Tabreed during a spectacular lights and graphics show projected against the iconic Burj Khalifa, broadcast around the world. Tabreed's new corporate identity, built around "Essential for Progress" as a core brand positioning, was closely aligned with the company's current strategy where business transformation and growth are to the fore while assuring that Tabreed is a force for good in communities around the globe.

August 2021

Tabreed announced the acquisition of an additional 50% stake from joint venture partner, Mubadala Infrastructure Partners (MIP), bringing its ownership to 100% in the exclusive 80,000RT district cooling scheme supplying Al Maryah Island in Abu Dhabi, including its major entertainment, hospitality, retail, commercial and residential developments.

September 2021

Tabreed honored with Sheikh Khalifa Excellence Award, 'System of the Year' and District Energy Space Award by the International District Energy Association, in addition to other prestigious awards that endorsed its business excellence like Climate Control Award and GCC GOV HR Award.

December 2021

Tabreed finalized a significant strategic partnership with the International Finance Corporation (IFC), a member of the World Bank Group and the largest global development institution focused on the private sector in emerging markets, to invest in projects of up to approximately $400 million over the next five years, targeting a portfolio of approximately 100,000 refrigeration tones (RT) across India.

Corporate Developments

The company distributed a cash dividend of 5.75 fils per share in addition to bonus shares of one share for every 45 shares held for the financial year ending 31 December 2020. This equates to approximately 11.5 fils for each share at the prevailing share price, representing a 10% increase on 2019's dividend.

The dividend profile reflected the Board's policy to grow dividends, recognizing that some earnings fluctuations are expected.

As a result, the annual dividend will continue to reflect the Board's view of the earnings prospects over the entirety of the investment cycle and after providing for business investment and meeting Tabreed's debt service obligations. In setting the annual dividend and the overall financial strategy, the Board aims to continue to strike a balance between the interests of the business, financial creditors, and shareholders.

Looking ahead

2021 was a strong year for Tabreed, and we continue to look to the years ahead with optimism to grow our business in the countries where we operate and penetrate new markets.

Today, Tabreed is a solid and financially stable company, underpinned by its strategic goals and long-term contracts. We have a diversified portfolio of customers across the GCC region, including government and private entities.

Throughout the rapid growth of 2020 and 2021 Tabreed has maintained its Investment Grade Ratings (Baa3/BBB).

Looking ahead, we are confident that Tabreed will continue to leverage its leading position to achieve sustainable growth, through providing our essential cooling services, whilst delivering strong financial results, robust cash flows, and returns to shareholders.

5 Independent Auditor Report

Independent auditor's report to the shareholders of National Central Cooling Company PJSC

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of National Central Cooling Company PJSC ("the Company") and its subsidiaries (together, "the Group") as at 31 December 2021 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of profit or loss for the year ended 31 December 2021;
- the consolidated statement of comprehensive income for the year ended 31 December 2021;
- the consolidated statement of financial position as at 31 December 2021;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our audit approach

Overview

Key Audit Matters	Business acquisitions during the year

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter

During the year ended 31 December 2021, the Group acquired 100% equity interest in Saadiyat District Cooling LLC ("SDCL") and Saadiyat Cooling LLC ("SCL") for a total consideration of AED 962 million. SDCL and SCL are involved in the district cooling business.

On 18 February 2021, the conditions precedent under SDCL and SCL Share Purchase Agreement (SPA) were substantively met, resulting in the Group gaining control of SDCL and SCL and thus accounting it for as a subsidiary. Details on the acquisition are provided in Note 27.2 of these consolidated financial statements.

In addition, the Group has acquired the remaining 50% equity interest, from a joint venture partner which resulted having 100% ownership of Business District Cooling Investment LLC ("BDCI") for a total consideration of AED 311.5 million. BDCI is involved in the district cooling business.

On 25 October 2021, the conditions precedent under BDCI Share Purchase Agreement (SPA) were substantively met, resulting in the Group gaining control of BDCI and thus changing the accounting from a joint venture to a subsidiary. Details on the acquisition are provided in Note 27.1 of these consolidated financial statements.

These significant acquisitions are part of the Group's strategic plan to expand its business within UAE.

An independent external valuation specialist (valuer) was engaged by the Group to perform Purchase Price Allocation (PPA) exercise, fair valuation of the acquired assets & liabilities and identification and valuation of intangible assets of SCL, SDCL and BDCI.

The acquisitions of SCL, SDCL and BDCI are a key audit matter as these are the significant transactions during the year which required significant assumptions, estimates and judgements regarding the allocation of purchase price to the assets and liabilities and the identification and valuation of intangible assets i.e. customer contracts and goodwill.

Refer to Note 2.3.1 for the accounting policy and Note 2.6.1 which explains the significant estimates, assumptions and judgement used by the Group.

How our audit addressed the key audit matter

We performed the following procedures to assess the key assumptions, estimates and judgement used in performing the PPA exercise and assessing the fair value of the assets and liabilities, acquired in the acquisitions:

- We reviewed relevant board of directors' resolutions and the contracts related to the acquisition;
- We obtained the Purchase Price Allocation report prepared by the independent valuer engaged by the Group;
- We assessed the competence, capabilities and objectivity of Group's independent valuer;
- We involved our internal valuation experts to review the methodology and assumptions used and to assess reasonableness of the conclusions regarding key assumptions used to determine the fair values of assets and liabilities recognised. Further, we assessed the key assumptions including cash flows focusing on revenues and earnings before interest, tax depreciation and amortisation ('EBITDA') and appropriateness of discount and growth rates, whilst considering the risk of management bias; and
- We assessed the appropriateness and adequacy of the related disclosures in Note 27.1 and 27.2 to the consolidated financial statements.

Other information

The Directors are responsible for the other information. The other information comprises the Group's Annual Report, (but does not include the consolidated financial statements and our auditor's report thereon. The group's Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.
In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Group's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Law No. (2) of 2015, as amended, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Further, as required by the UAE Federal Law No. (2) of 2015, as amended, we report that:

- we have obtained all the information we considered necessary for the purposes of our audit;
- the consolidated financial statements comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (2) of 2015, as amended;
- the Group has maintained proper books of account;
- as disclosed in Note 9 to the consolidated financial statements, the Group has purchased shares during the year ended 31 December 2021;
- Note 28 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted;
- based on the information that has been made available to us, except for the fact that the Directors' report was not available to us at the date of this auditor's report, nothing has come to our attention which causes us to believe that the Group has contravened during the year ended 31 December 2021 any of the applicable provisions of the UAE Federal Law No. (2) of 2015, as amended, or in respect of the Company, its Articles of Association which would materially affect its activities or its consolidated financial position as at 31 December 2021; and
- as disclosed in Note 1 to the consolidated financial statements, the Group has made social contributions of AED 1 million during the year ended 31 December 2021.

PricewaterhouseCoopers
14 February 2022

Rami Sarhan
Registered Auditor Number 1152
Abu Dhabi, United Arab Emirates

6 Financial Statements

Consolidated statement of profit or loss

For the year ended 31 December

	Notes	2021 AED'000	2020 AED'000
Continuing operations			
Revenues	3	1,955,085	1,740,715
Direct costs	6.1	(1,084,264)	(886,086)
Gross profit		**870,821**	**854,629**
Impairment provision for trade receivables	18	(1,096)	(5,579)
Administrative and other expenses	6.2	(246,545)	(218,986)
Operating profit		**623,180**	**630,064**
Finance costs	5	(257,708)	(221,601)
Finance income		2,685	2,808
Other gains and losses, net		130,233	79,041
Share of results of associates and joint ventures, net	12, 13	35,673	51,195
Profit from continuing operations		534,063	541,507
Profit from discontinued operation	12	76,682	31,963
Profit for the year		610,745	573,470
Attributable to:			
Equity holders of the parent			
Profit from continuing operations		508,474	518,379
Profit from discontinued operation		76,682	31,963
		585,156	550,342
Non-controlling interests			
Profit from continuing operations		25,589	23,128
Profit from discontinued operation		-	-
		25,589	**23,128**
		610,745	**573,470**
Basic and diluted earnings per share from continuing operations attributable to ordinary equity holders of the parent (AED)		**0.18**	0.19
Basic and diluted earnings per share from discontinued operation attributable to ordinary equity holders of the parent (AED)		**0.03**	0.01
Total basic and diluted earnings per share attributable to ordinary equity holders of the parent (AED)	7	**0.21**	0.20
Profit for the year		**610,745**	**573,470**

Consolidated statement of comprehensive income

For the year ended 31 December

	Notes	2021 AED	2020 AED
Other comprehensive income / (loss)			
Items that may be reclassified subsequently to profit or loss:			
Net movement in fair value of derivatives in cash flow hedges related to Interest Rate Swaps ("IRS")	26	81,317	(17,016)
Share of changes in fair value of derivatives of associates and joint venture in cash flow hedges related to IRS	12, 13	31,100	(28,509)
Reclassification adjustment for amounts recognized in profit or loss relating to step up acquisition of a joint venture	27	35,631	-
Exchange differences arising on translation of overseas operations		4,201	206
Total other comprehensive income / (loss)		152,249	(45,319)
Total comprehensive income for the year		**762,994**	**528,151**
Attributable to:			
Equity holders of the parent			
Profit from continuing operations		660,723	473,060
Profit from discontinued operation		**76,682**	**31,963**
		737,405	505,023
Non-controlling interests			
Profit from continuing operations		25,589	23,128
Profit from discontinued operation		-	-
		25,589	23,128
		762,994	**528,151**

Consolidated statement of financial position

For the year ended 31 December

Assets	Notes	2021 AED '000	2020 AED '000
Non-current assets			
Capital work in progress	10	201,656	299,489
Property, plant and equipment	11	4,812,702	4,437,282
Right-of-use assets	16	210,331	165,469
Intangible assets	14	4,284,452	2,360,127
Investments in associates and joint ventures	12, 13	372,790	358,258
Finance lease receivables	15	2,688,690	2,793,069
		12,570,621	10,413,694
Current assets			
Inventories		50,838	42,420
Trade and other receivables	18	691,007	898,467
Finance lease receivables	15	323,588	315,581
Cash and bank balances	19	1,197,273	1,312,894
		2,262,706	2,569,362
Assets held for sale	12	-	329,885
Total assets		**14,833,327**	**13,312,941**
Equity and liabilities			
Equity			
Issued capital	20	2,775,874	2,715,529
Treasury shares		(3,215)	(2,016)
Statutory reserve	21	456,648	413,020
Retained earnings		2,460,147	2,133,906
Foreign currency translation reserve		2,721	(1,480)
Cumulative changes in fair value of derivatives in cash flow hedges		53,970	(94,078)

Assets	Notes	2021 AED '000	2020 AED '000
Equity attributable to the equity holders of the parent		**5,746,145**	**5,164,881**
Non-controlling interests		700,251	710,289
Total equity		6,446,396	5,875,170
Liabilities			
Non-current liabilities			
Trade and other payables	26	215,059	116,727
Interest bearing loans and borrowings	22	2,495,034	2,132,930
Islamic financing arrangement	23	932,994	630,681
Non-convertible Bonds and Sukuk	24	3,643,080	3,639,348
Lease liabilities	17	200,579	219,599
Employees' end of service benefits	25	41,291	36,486
		7,528,037	6,775,771
Current liabilities			
Trade and other payables	26	768,777	593,722
Interest bearing loans and borrowings	22	35,014	23,477
Islamic financing arrangement	23	8,418	-
Lease liabilities	17	46,685	44,801
		858,894	662,000
Total liabilities		**8,386,931**	**7,437,771**
Total equity and liabilities		**14,833,327**	**13,312,941**

To the best of our knowledge, the consolidated financial statements fairly presents, in all material respects, the consolidated financial position, results of operation and consolidated cash flows of the Group as of, and for the year ended 31 December 2021.

Khaled Abdulla Al Qubaisi
Chairman

Khalid Abdulla Al Marzooqi
Chief Executive Officer

Adel Al Wahedi
Chief Financial Officer

Consolidated statement of changes in equity

Balance at 1 January 2020

Attributable to equity holders of the parent

	Issued capital	Treasury shares	Statutory reserve	Retained earnings	Foreign currency translation reserve	Cumulative changes in fair value of derivatives in cash flow hedges	Total	Non-controlling interests	Total equity
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Balance at 1 January 2020	**2,715,529**	**(2,016)**	**358,466**	**1,923,249**	**(1,686)**	**(48,553)**	**4,944,989**	**70,666**	**5,015,655**
Profit for the year	-	-	-	550,342	-	-	550,342	23,128	573,470
Other comprehensive loss for the year	-	-	-		206	(45,525)	(45,319)	-	(45,319)
Total comprehensive income for the year	-	-	-	550,342	206	(45,525)	505,023	23,128	528,151
Transfer to statutory reserve	-	-	54,554	(54,554)	-	-	-	-	-
Dividends paid to shareholders (Note 8)	-	-	-	(285,131)	-	-	(285,131)	-	(285,131)
Non-controlling interest on acquisition of a subsidiary	-	-	-	-	-	-	-	619,953	619,953
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(3,458)	(3,458)
Balance at 31 December 2020	**2,715,529**	**(2,016)**	**413,020**	**2,133,906**	**(1,480)**	**(94,078)**	**5,164,881**	**710,289**	**5,875,170**
Balance at 1 January 2021	**2,715,529**	**(2,016)**	**413,020**	**2,133,906**	**(1,480)**	**(94,078)**	**5,164,881**	**710,289**	**5,875,170**
Profit for the year	-	-	-	585,156	-	-	585,156	25,589	610,745
Other comprehensive profit for the year	-	-	-	-	4,201	148,048	152,249	-	152,249
Total comprehensive income for the year	-	-	-	585,156	4,201	148,048	737,405	25,589	762,994
Transfer to statutory reserve	-	-	43,628	(43,628)	-	-	-	-	-
Dividends paid to shareholders (Note 8)	-	-	-	(156,141)	-	-	(156,141)	-	(156,141)
Bonus Share (Note 8)	60,345	(1,199)	-	(59,146)	-	-	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(35,627)	(35,627)
Balance at 31 December 2021	**2,775,874**	**(3,215)**	**456,648**	**2,460,147**	**2,721**	**53,970**	**5,746,145**	**700,251**	**6,446,396**

Consolidated statement of cash flows

For the year ended 31 December

	Notes	2021 AED '000	2020 AED '000
Operating activities			
Profit from continuing operations		534,063	541,507
Profit from discontinued operation		76,682	31,963
Profit for the year including discontinued operation		**610,745**	**573,470**
Non-cash adjustments:			
Depreciation of property, plant and equipment	11	188,379	167,617
Depreciation of right-of-use assets	16	23,408	21,742
Amortisation of intangible assets	14	61,385	33,030
Finance lease income	3	(189,989)	(200,887)
Share of results of associates and joint ventures including discontinued operation, net	12, 13	(60,405)	(83,158)
Net movement in employees' end of service benefits	25	4,805	5,096
Gain on disposal of associate	12	(51,950)	-
Other gains and losses, net		(110,233)	(79,041)
Allowance for provision for trade receivables	18	1,096	5,579
Finance income		(2,685)	(2,808)
Finance costs	5	257,708	221,601
Operating cash flows before changes in working capital		**732,264**	**662,241**
Working capital changes:			
Inventories		(7,234)	(5,383)
Trade and other receivables		295,317	(258,900)
Trade and other payables		(30,773)	(87,181)
Lease rentals received	15	326,830	318,491

	Notes	2021 AED '000	2020 AED '000
Net cash flows generated from operating activities		**1,316,404**	**629,268**
Investing activities			
Purchase of property, plant and equipment	11	(20,003)	(16,180)
Payments for capital work in progress		(168,605)	(90,104)
Payment for acquisition of shares in subsidiaries	27	(1,212,135)	(2,579,670)
Disposal of interest in an associate	12	406,567	-
Dividends from a joint venture	13	5,751	7,750
Dividends from associates	12	8,835	81,776
Finance income received		2,998	1,841
Net cash flows used in investing activities		**(976,592)**	**(2,594,587)**
Financing activities			
Interest bearing loans and borrowings received		52,279	1,864,748
Interest bearing loans and borrowings repaid		(27,800)	(739,317)
Islamic financing arrangement received		-	628,709
Islamic financing arrangement repaid		(5,115)	-
Proceeds upon issuance of non-convertible Bonds (net of transaction cost)		-	1,808,823
Principal elements of lease payments	17	(39,746)	(36,192)
Finance cost paid on lease liabilities	17	(14,013)	(15,603)
Finance cost paid		(229,270)	(171,268)
Dividends paid to shareholders	8	(156,141)	(285,131)
Dividends paid to non-controlling interests		(35,627)	(3,458)
Net cash flows (used in)/generated from financing activities		**(455,433)**	**3,051,311**
Net (decrease)/increase in cash and cash equivalents		**(115,621)**	**1,085,992**
Cash and cash equivalents at 1 January		1,312,894	226,902
Cash and cash equivalents at 31 December	19	1,197,273	1,312,894

1. General information

National Central Cooling Company PJSC ("Tabreed" or the "Company" or the "parent") is registered in the United Arab Emirates as a Public Joint Stock Company pursuant to the UAE Federal Law No. (2) of 2015, as amended and is listed on the Dubai Financial Market. The Company was originally incorporated under the U.A.E Federal Law No. (8) of 1984, as amended. Subsequently, the U.A.E Federal Law No. (8) of 1984 was superseded by U.A.E. Federal Law No (2) of 2015, as amended.

The Company is required, for the year ended 31 December 2021, to be in compliance with the provisions of the UAE Federal Law No. 2 of 2015, as amended. On 20 September 2021, the UAE Federal Decree Law No. 32 of 2021 ("Companies Law") was issued and came into effect on 2 January 2022 which repealed the UAE Federal Law No. 2 of 2015. The Company has 12 months from 2 January 2022 to comply with the provisions of the UAE Federal Decree Law No 32 of 2021. The principal activities of the Company and its subsidiaries (the "Group") are supply of chilled water, operation and maintenance of plants, construction of secondary networks, manufacturing of pre-insulated pipes and design and supervision consultancy. Activities of subsidiaries are described in note 9 to the consolidated financial statements.

The Company's registered office is located at P O Box 32444, Dubai, United Arab Emirates.

The Group has made social contributions of AED 1.0 million during the year.

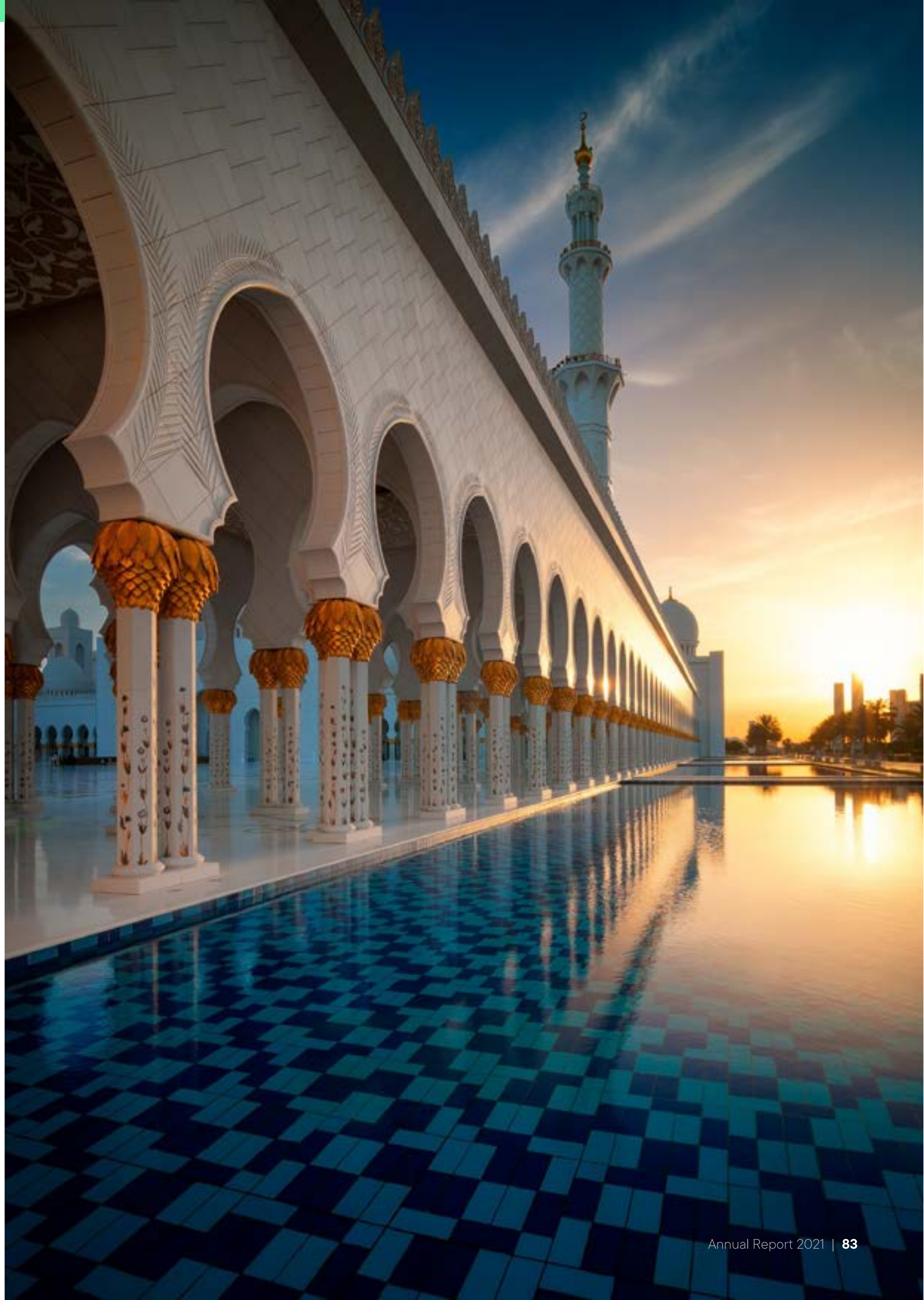
The consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 14 February 2022.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by International Accounting Standards Board ("IASB"), IFRSIC Interpretations and applicable requirements of the laws in the UAE.

The consolidated financial statements are prepared under the historical cost basis, except for derivative financial instruments which are measured at fair value and assets held for sale which are measured at lower of carrying value and fair value less cost to sell. The consolidated financial statements have been presented in United Arab Emirates Dirham ("AED") which is the reporting currency of the Company. All values are rounded to the nearest thousand (AED '000) except when otherwise indicated.

The accounting policies have been consistently applied to all the periods presented.



2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (together the "Group") as at 31 December 2021 over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses the control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

For changes in ownership interests the Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in retained earnings within equity attributable to owners.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in consolidated statement of profit or loss.

This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to consolidate statement of profit or loss.

2.3 Significant accounting policies

The principal accounting policies applied by the Group Company in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.3.1 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

In business combination achieved in stages, the Group remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognise the resulting gain or loss, if any, in the consolidated profit or loss. If the Group have previously recognised changes in the value of its equity interest in the acquiree in other comprehensive income, it will reclassify this to consolidated profit or loss on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in consolidated statement of profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.3.2 Revenue recognition

The Group recognises revenue from the following major sources:

- Supply of chilled water
- Rendering of services
- Interest income

For contracts determined to be within the scope of revenue recognition, the Group is required to apply a five-step model to determine when to recognise revenue, and at what amount.

The Group recognises revenue from contracts with customers based on the five-step model set out in IFRS 15:

Step 1: Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify the performance obligations in the contract: A performance obligation is a unit of account and a promise in a contract with a customer to transfer a good or service to the customer

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation..

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation: The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as and when the Group performs; or
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or.
- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

For performance obligations where none of the above conditions are met, revenue is recognised at the point in time at which the performance obligation is satisfied.

a) Supply of chilled water

Revenue from supply of chilled water comprises the following principle services:

Capacity revenue: represents availability of the service and performance obligation is satisfied over time as the customers make use of the service and network. The billing is done monthly in arrears.

Consumption revenue: represents revenue from consumption of the output of assets used by the customers. or Revenue is recognised over time. The billing is done monthly in arrears.

b) Rendering of services (value chain business)

This mainly represents supervision and design services provided to customers. Revenue from services is recognised as services are rendered. Revenue is recognised over time using the output method.

c) Interest income

Interest income including interest on finance lease receivable is recognised as the interest accrues using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instruments to the net carrying amount of the financial asset. For details on finance lease refer to note 2.28. Finance income on finance receivables is included in revenue due to its operating nature.

2.3.3 Foreign currencies

The consolidated financial statements are presented in AED, which is the parent Company's functional and presentation currency. The functional currency is the currency of the primary economic environment in which an entity operates. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Emirati Dirham currency units (AED), which is National Central cooling PJSC functional and presentation currency.

b) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date.

All differences are taken to the consolidated statement of profit or loss with the exception of monetary items that provide an effective hedge of a net investment in a foreign operation. These are recognised in the consolidated statement of comprehensive income until the disposal of the net investment, at which time they are recognised in the consolidated statement of profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

c) Group companies

The assets and liabilities of foreign operations are translated into AED at the rate of exchange ruling at the reporting date and their statement of profit or loss are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are recognised in the statement of comprehensive income. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the consolidated statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

2.3.4 Capital work in progress

Capital work in progress is recorded at cost incurred by the Group for the construction of the plants and distribution network. Allocated costs directly attributable to the construction of the assets are capitalised. The capital work in progress is transferred to the appropriate asset category and depreciated in accordance with the Group's policies when construction of the asset is completed, and it is available for use.

2.3.5 Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds and the redemption value is recognised in the consolidated statement of profit or loss over the term of the borrowings using the effective interest method. Borrowings are classified as non-current liabilities when the Group has an unconditional right to defer settlement of the liabilities for more than twelve months after the reporting date. Borrowing costs (including finance costs on lease liabilities) that are directly attributable to the acquisition or construction of a qualifying asset are capitalised (net of interest income on temporary investment of borrowings) as part of the cost of the asset until the asset is commissioned for use. Borrowing costs in respect of completed and suspended projects or not attributable to qualifying assets are expensed in the period in which they are incurred. During the year ended 31 December 2021, no borrowing cost was capitalised (2020: nil).

2.3.6 Trade and other payables

Trade payables are obligations to pay for goods or service that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.3.7. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Such cost includes the cost of replacing part of the property, plant and equipment when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in consolidated statement of profit or loss as incurred. Land is not depreciated. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Plant and related assets	30 years
Buildings	50 years
Distribution networks	50 years
Furniture and fixtures	3 to 4 years
Office equipment and instruments	3 to 4 years
Motor vehicles	4 to 5 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Group performs regular major overhauls of equipment of its district cooling plants. When each major overhaul is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. The cost recognised is depreciated over the period till the next planned major overhaul.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in consolidated statement of profit or loss in the year the asset is derecognised.

2.3.8. Leases

The Group as a lessee

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commence-ment date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured ifthere is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Variable lease payments that depend on an index or a rate include, for example, payments linked to a consumer price index, payments linked to a benchmark interest rate (such as LIBOR) or payments that vary to reflect changes in market rental rates are included in the lease payments and are remeasured using the prevailing index or rate at the measurement date.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term. Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use

assets are subject to impairment. Right-of-use assets relate to land, plant, building and motor vehicles.

The Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

Operating lease

Leases where the Group does not transfer substantially all the risks and benefits of ownership of the asset to the customers are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned. Where the Group determines that the cooling service agreements to contain an operating lease, capacity payments are recognised as operating lease rentals on a systematic basis to the extent that capacity has been made available to the customers during the year. Rental income arising from operating leases on chilled water plants is accounted for on a straight-line basis over the lease terms and included in revenue due to its operating nature.

Finance lease

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset. The Group reviews the contractual arrangements it enters into with its customers. In instances where the contract conveys the right to control the use of the identified asset for substantially all the economic benefits and the right to direct the use, such contracts are accounted for as a finance lease.

Lease payments are payments made by a lessee to a lessor relating to the right to use an underlying asset during the lease term, comprising the fixed payments (including in-substance fixed payments), less any lease incentives (for e.g. reimbursement of maintenance fee); variable lease payments that depend on an index or a rate; the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. Variable lease payments that depend on an index or a rate include, for example, payments linked to a consumer price index, payments linked to a benchmark interest rate or payments that vary to reflect changes in market rental rates. The payments are included in the lease payments and are measured/remeasured using the prevailing index or rate at the measurement date (e.g. lease commencement date for initial measurement or at the time when new CPI rate is available).

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Group has the option, under some of its leases to lease the assets for additional terms of three to five years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

2.3.9. Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the consolidated carrying amount of the investment and goodwill is neither amortised nor individually tested for impairment. The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associates and joint ventures. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income.

In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of profit or loss outside operating profit. The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss in the consolidated statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in consolidated statement of profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to consolidated statement of profit or loss where appropriate.

2.3.10. Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the consolidated statement of profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration is recognised in other capital reserves.

2.3.11. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations cover a period to the end of useful life of the assets.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the assets' or cash-generating units' recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment, annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating units, to which the goodwill is allocated. Where the recoverable amount of the cash-generating units is less than their carrying amount an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods. The Group performs its annual impairment test of goodwill as at 31 December.

2.3.12. Financial instruments

The Group initially recognises financial assets or financial liabilities designated at fair value through profit or loss, investments measured at fair value through other comprehensive income (FVTOCI) and investments measured at amortised cost on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

Trade and other receivables, finance lease receivables, cash and bank balances, trade and other payables, interest bearing loans and borrowings, Islamic financing arrangements and non-convertible Bonds, Sukuks, and lease liabilities etc. are recognised on the day they are originated.
When the transaction price differs from the fair value of other observable current market transactions in the same instrument, or based on a valuation technique whose variables include only data from observable markets, the Group immediately recognises the difference between the transaction price and fair value (a Day 1 profit or loss) in the consolidated statement of profit or loss. In cases where fair value is determined using data which is not observable, the difference between the transaction price and model value is only recognised in the consolidated statement of profit or loss when the inputs become observable, or when the instrument is derecognised.

Financial assets

Recognition and derecognition:

Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Classification:

For the purposes of classifying financial assets, an instrument is an 'equity instrument' if it is a nonderivative and meets the definition of 'equity' for the issuer except for certain non-derivative puttable instruments presented as equity by the issuer. All other non-derivative financial assets are 'debt instruments'.

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

i. the entity's business model for managing the financial assets; and

ii. the contractual cash flow characteristics of the financial asset.

a) Financial assets at amortised cost

A financial asset measured at amortised cost are categorised under such category if both of the following conditions are met:

i. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. However, the Group may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

Debt instruments that do not meet the amortised cost criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria but are designated as at FVTPL are measured at FVTPL. A debt instrument may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different basis.

Debt instruments are reclassified from amortised cost to FVTPL when the business model is changed such that the amortised cost criteria are no longer met. Reclassification of debt instruments that are designated as at FVTPL on initial recognition is not allowed. Irrevocable designation of financial assets at FVTPL at initial recognition is made by the Group only if by doing so it eliminates or significantly reduces measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different basis.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in the consolidated statement of profit or loss. The net gain or loss is recognised in the consolidated statement of profit or loss.

Dividend income on investments in equity instruments at FVTPL is recognised in the consolidated statement of profit or loss when the Group's right to receive the dividends is established in accordance with IFRS.

d) Reclassifications

business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Group's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Group holds financial assets and therefore no reclassifications were made.

e) Write-off

Receivables are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

Fair value measurement principles

For investments and derivatives quoted in an active market, fair value is determined by reference to quoted market prices. Bid prices are used for assets and offer prices are used for liabilities. The fair values of investments in mutual funds or similar investment vehicles are based on the last net asset value published by the fund manager. For other investments including treasury bills, a reasonable estimate of the fair value is determined by reference to the price of recent market transactions involving such investments, current market value of instruments which are substantially the same or is based on the expected discounted cash flows.

The fair value of unquoted investments, forward exchange contracts, interest rate swaps and options (if any) is determined by reference to discounted cash flows, pricing models or over-the-counter quotes.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amounts reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

Impairment

The Group recognises loss allowances for Expected Credit Losses (ECL) on the trade receivables, contract assets and lease receivables that are not measured at FVTPL.

The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

a) Probability of default (PD)

PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

b) Loss Given Default (LGD)

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a morelagging default criterion is more appropriate.

Significant increase in credit risk

The Group monitors all financial assets and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment including forward-looking information.

2.3.13. Inventories

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.3.14. Cash and short-term deposits

Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances, and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

2.3.15. Provisions

a) General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of consolidated statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. Management reviews its contracts annually.

b) Decommissioning liability

The Group records a provision for decommissioning costs of removing an item of property, plant and equipment and restoring the site on which the item was located to its original condition. Decommissioning costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the relevant asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the consolidated statement of profit or loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost of the asset.

c) Contingent liabilities recognised in a business combination

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less (when appropriate) cumulative amortisation recognised in accordance with the requirements for revenue recognition.

2.3.16. Employees' end of service benefits

The Group provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

With respect to its national employees, the Group makes contributions to the relevant UAE Government pension scheme calculated as a percentage of the employees' salaries. The obligations under these schemes are limited to these contributions, which are expensed when due.

2.3.17. Derivative financial instruments

A derivative financial instrument is a financial contract between two parties where payments are dependent upon movements in the price of one or more underlying financial instrument, reference rate or index.

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate risks, including interest rate swaps.

Derivative financial instruments are initially measured at fair value at trade date and are subsequently re- measured at fair value at the end of each reporting period. All derivatives are carried at their fair values as assets where the fair values are positive and as liabilities where the fair values are negative. Derivative assets and liabilities arising from different transactions are offset only if the transactions are with the same counterparty, a legal right of offset exists, and the parties intend to settle the cash flows on a net basis. Derivative fair values are determined from quoted prices in active markets where available.

Where there is no active market for an instrument, fair value is derived from prices for the derivative's components using appropriate pricing or valuation models.

The method of recognising fair value gains and losses depends on whether derivatives are held for trading or are designated as hedging instruments, and if the latter, the nature of the risks being hedged. All gains and losses from changes in the fair value of derivatives held for trading are recognised in the consolidated statement of profit or loss under 'Net gain from dealing in foreign currencies and derivatives'.

Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 Financial Instruments (e.g., financial liabilities) are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

2.3.18. Hedge accounting

Derivatives designated as hedges are classified as either: (i) fair value hedges which hedge the exposure to changes in the fair value of a recognised asset or liability; (ii) cash flow hedges which hedge the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction; or (iii) a hedge of net investment which are accounted similarly to a cash flow hedge. Hedge accounting is applied to derivatives designated as hedging instruments in a fair value or cash flow, provided the criteria are met.

At the inception of a hedging relationship, to qualify for hedge accounting, the Group documents the relationship between the hedging instruments and the hedged items as well as its risk management objective and its strategy for undertaking the hedge. The Group also requires a documented assessment, both at hedge inception and on an ongoing basis, of whether or not the hedging instruments, primarily derivatives, that are used in hedging transactions are highly effective in offsetting the changes attributable to the hedged risks in the fair values or cash flows of the hedged items.

a) Fair value hedges

The fair value change on qualifying hedging instruments is recognised in profit or loss except when the hedging instrument hedges an equity instrument designated at FVTOCI in which case it is recognised in OCI. The Group has not designated fair value hedge relationships where the hedging instrument hedges an equity instrument designated at FVTOCI. The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in profit or loss. For debt instruments measured at FVTOCI, the carrying amount is not adjusted as it is already at fair value, but the part of the fair value gain or loss on the hedged item associated with the hedged risk is recognised in profit or loss instead of OCI. When the hedged item is an equity instrument designated at FVTOCI, the hedging gain/loss remains in OCI to match that of the hedging instrument. The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. The fair value adjustment to the carrying amount of hedged items for which the EIR method is used (i.e. debt instruments measured at amortised cost or at FVTOCI) arising from the hedged risk is amortised to profit or loss commencing no later than the date when hedge accounting is discontinued.

b) Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in the cash flow hedging reserve, a separate component of OCI, limited to the cumulative change in fair value of the hedged item from inception of the hedge less any amounts recycled to profit or loss.

Amounts previously recognised in OCI and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. If the Group no longer expects the transaction to occur that amount is immediately reclassified to profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after

rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised, or where the occurrence of the designated hedged forecast transaction is no longer considered to be highly probable. The discontinuation is accounted for prospectively. Any gain/loss recognised in OCI and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain/loss accumulated in equity is reclassified and recognised immediately in profit or loss.

c) Hedge effectiveness testing

To qualify for hedge accounting, the Group requires that at the inception of the hedge and on an ongoing basis:

the hedging relationship consists only of eligible hedging instruments and eligible hedged items;

- at inception of the hedging relationship there is formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge;
- the hedging relationship meets all of the hedge effectiveness requirements, i.e.;
- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

d) Derivatives that do not qualify for hedge accounting

All gains and losses from changes in the fair values of derivatives that do not qualify for hedge accounting are recognised immediately in consolidated statement of profit or loss.

The Group has adopted the Interest Rate Benchmark Reform amendment to IFRS 9 and IFRS 7 issued in September 2019. hedging relationships and instruments. The Group is assessing the impact and next steps to ensure a smooth transition from LIBOR to the new benchmark rates.

2.3.19. Fair value measurement

The Group measures financial instruments, such as, derivatives, and non-financial assets such as asset held for sale, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in note 32.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The management determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement, such as asset held for sale. External valuers are involved for valuation of significant assets, such as land. Selection criteria for valuers include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

The management, in conjunction with the Group's external valuers, also compares each the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. An analysis of fair values of financial instruments and further details as to how they are measured are provided in note 32.

2.3.20. Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

2.3.21. Cash dividend and non-cash distribution to equity holders of the parent

The Group recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised. As per the laws and regulation applicable in UAE, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Gain or loss on re-measurement is recognised in consolidated statement of profit or loss and then the revalued amount of the asset is recognised as debit in equity. Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the consolidated statement of profit or loss.

2.3.22 Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Receivables include trade receivables for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss provision. A provision for impairment of trade receivables is established based on the expected lifetime losses to be recognised from initial recognition of the receivables.

When a trade and contract receivables are uncollectible, it is written off against the provision for impairment account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the consolidated income statement.

2.3.23 (i) Customer contracts

Customer contracts acquired in the business combination have been initially recognised at their fair value at the acquisition date. The valuation technique adopted has been the multi-period excess earning method. Subsequent to initial recognition, customer contracts are reported at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation of customer contracts is recognised in the consolidated statement of profit or loss on a straight-line basis over their estimated useful lives. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

2.3.23 (ii) Other Contracts

Other contracts mainly represent contractual rights, acquired in the business combination which have been initially recognised at their fair value at the acquisition date. The valuation technique adopted has been the multi-period excess earning method. Subsequent to initial recognition, customer contracts are reported at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation of other contracts is recognised in the consolidated statement of profit or loss on a straight-line basis over their estimated useful lives. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

2.3.24 Assets classified as held for sale and discontinued operation

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the sale, excluding the finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of Operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operation is presented separately in the consolidated statement of profit or loss.

2.3.25 Value added tax (VAT)

Output value added tax related to sales is payable to tax authorities on the earlier of (a) collection of receivables from customers or (b) delivery of goods or services to customers. Input VAT is generally recoverable against output VAT upon receipt of the VAT invoice

. The tax authorities permit the settlement of VAT on a net basis. VAT related to sales and purchases is recognised in the consolidated statement of financial position on a net basis. Where provision has been made for the ECL of receivables, the impairment loss is recorded for the gross amount of the debtor, including VAT.

2.3.26 Segment reporting

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Also, the Group's financing (including finance costs, finance income and other income) are managed on a Group basis and are not allocated to operating segments.

2.4 Application of new and revised international financial reporting standards (IFRS)

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2021, have been adopted in these consolidated financial statements.

In August 2020, the IASB issued Interest Rate Benchmark Reform - Phase 2, which amends IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. The amendments complement those issued in September 2019 (endorsed in January 2020) and focus on the effects on financial statements when a Company replaces a previous interest rate benchmark with an alternative benchmark rate as a result of Interbank Offered Rates (IBOR) reform. The Phase 2 amendments are effective for the Group's fiscal year commencing 1 January 2021, and were adopted as of that date. Comparative amounts have not been restated, and there was no impact on the current period opening reserves amounts on adoption.

As of 31 December 2021, applicable interest rate benchmarks in the Group's agreements have not been replaced. As a result, the adoption of the Phase 2 amendments had no impact on the consolidated financial statements for the year ended 31 December 2021. Management will continue to monitor relevant developments and will evaluate the impact of the Phase 2 amendments on the consolidated financial statements as IBOR reform progresses.

The Group has cash flow hedge accounting relationships that are exposed to USD LIBOR. Many of the existing derivatives designated in relationships referencing LIBOR benchmarks are expected to transition to alternative benchmark in different ways and at different times. External progress on the transition to alternative benchmark is being monitored, with the objective of ensuring a smooth transition for the Group's hedge accounting relationships. The specific issues arising will vary with the details of each hedging relationship included in the designation. Some hedges may need to be de-designated and new relationships entered into, while others may survive the market-wide benchmarks reform.

The notional amounts of interest rate derivatives designated in hedge accounting relationships represent the extent of the risk exposure managed by the Group that is expected to be directly affected by market-wide IBOR reform and in scope of Phase 1 and Phase 2 amendments. The swaps designated in hedge accounting relationships and affected by IBOR reform are presented below:

	Hedging instruments Impacted by IBOR Reform (AED '000)	Hedging instruments not impacted by IBOR Reform (AED '000)	Notional Contract Amount Impacted by IBOR Reform (AED '000)	Notional Contract Amount not Impacted by IBOR Reform (AED '000)
Cash flow hedge:				
Interest rate swaps	63,485	(6,638)	3,209,557	156,001

2.5 Standards and Interpretations in issue but not yet effective

The Group has not early adopted new and revised IFRS that have been issued but are not yet effective.

- Classification of Liabilities as Current or Non-current – Amendments to IAS 1 - (effective 1 January 2022) The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g., the receipt of a waver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability;
- Reference to the Conceptual Framework – Amendments to IFRS 3 (effective 1 January 2022) Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date;
- Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28 - The IASB has made limited scope amendments to IFRS 10 Consolidated financial statements and IAS 28 Investments in associates and joint ventures. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations); and
- Amendment to IAS 16 (effective 1 January 2022) The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

The Group is currently assessing the impact of these standards, and amendments on the future consolidated financial statements of the Group and intends to adopt these, if applicable, when they become effective.

2.6 Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Disclosures relating to the Group's exposure to risks and uncertainties include:

Capital management	Note 31
Financial instruments risk management and policies	Note 31
Sensitivity analysis disclosures	Note 31

2.6.1 Judgments

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

(a) Determining lease terms

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

(b) Lessor accounting policy

Under the new guidance provided by IFRS 16, the definition of lease payments has been changed to include the variable lease payments that are based on an index or a rate as part of the net lease investment.

Although IFRS 16 (Leases) does not explicitly require a lessor to reassess the net lease investment at the date of adoption, the Group has updated its accounting policy to include CPI index related payments within the minimum lease payments. In the absence of explicit guidance on the transitional provisions for lessor, the Group has made a judgement to apply the updated accounting policy with effect from 1 January 2019 and adjusted the balance in the retained earnings. In addition, the gain/loss (if any) upon initial recognition of finance lease receivable is included in other gain and losses as management considers this as a non-core business activity.

(c) Business combinations

Accounting for the acquisition of a business requires the allocation of the purchase price to various assets and liabilities of the acquired business. For most assets and liabilities, the purchase price allocation is accomplished by recording the asset or liability at its estimated fair value. Determining the fair value of assets acquired and liabilities assumed requires judgment by management and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates and the useful lives of assets. The Group's management has used all available information to make these fair value determinations in the recent acquisitions of subsidiaries (Note 27).

The Group primarily considers the following information and criteria when determining whether it has control over an entity:

- governance arrangements: voting rights and whether the Group is represented in the governing bodies, majority rules and veto rights etc;
- the nature of substantive or protective rights granted to shareholders, relating to the entity's relevant activities;
- rules for appointing key management personnel; and

whether the Group is exposed, or has rights, to variable returns from its involvement with the entity etc.

For the subsidiaries acquired during the year 2021, the management has concluded that it has control over these subsidiaries (Note 27).

In relation to DDC (a subsidiary acquired in prior year), the Group has the right to appoint the majority of the directors who can take key decisions relating to the relevant activities of this subsidiary including expanding and acquiring other assets. Furthermore, the Group has the right to appoint all employees of this subsidiary, which provides clear evidence of operational control. The Group is directly and significantly exposed, and has rights to variable returns from this subsidiary and is able to use its power over this subsidiary to affect these returns.

Any rights provided to the minority shareholder are purely protective in nature.

Accordingly, the Group has concluded that it has control over DDC.

2.6.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the consolidated financial statements when they occur.

(a) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (ECL) on financial assets measured at amortised cost. The amount of expected credit losses is updated at the end of each reporting period to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises expected credit loss for trade receivables, finance lease receivable, due from related parties and cash and bank balances, using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

For all other financial assets, the Group recognises expected credit loss when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 months ECL. The assessment of whether ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of an evidence of a financial asset being credit-impaired at the end of the reporting period or an actual default occurring.

At the reporting date, gross trade receivables were AED 600.1 million (2020: AED 827.6 million) and impairment loss recognised in the consolidated statement of profit or loss for the year ended 31 December 2021 was AED 1.1 million (2020: AED 5.6 million). Provision for impairment at 31 December 2021 is AED 41.7 million (2020: AED 48.9 million).

At the reporting date, gross finance lease receivables were AED 3,049 million (2020: AED 3,145 million) and provision for impairment at 31 December 2021 was AED 36.7 million (2020: AED 36.7 million). No impairment loss was recognised in the consolidated statement of profit or loss for the year ended 31 December 2021 (2020: nil).

(b)Impairment of non-financial assets

Management determines at each reporting date whether there are any indicators of impairment relating to the Group's cash generating units. A broad range of internal and external factors is considered as part of the indicator review process, where necessary, an impairment assessment is performed. Impairment testing requires an estimation of the fair values less cost to sell and value in use of the cash generating units. The recoverable amounts require the Group to estimate the amount and timing of future cash flows, terminal value of the assets and choose a suitable discount rate in order to calculate the present value of the cash flows. The net carrying amounts of non-financial assets affected by the above estimations are mainly property, plant and equipment, customer contract, and other contract assets (Note 11).

(c) COVID 19

Due to the nature of the services, the Group provides, there is no direct impact of COVID-19 on the business. However, in response to the spread of the Covid-19 in GCC and other territories where the Group operates and its resulting disruptions to the social and economic activities in those markets over the last two years, management continues to proactively assess its impacts on its operations. In particular the Group is closely monitoring the current surge in cases due to the outbreak of a new variant - Omicron.

The preventive measures taken by the Group in 2020 are still in effect including the creation of ongoing crisis management teams and processes, to ensure the health and safety of its employee and availability of uninterrupted customer service. Alternative working arrangements and social distancing measures have been made and administrative staff are working remotely as and when required.

(d) Impairment of goodwill

The Group reviews goodwill to assess impairment at least on an annual basis. In determining whether impairment losses should be recorded in the consolidated statement of profit or loss, management makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, provision for impairment is made - whenever appropriate - where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

3.Revenues

	2021 AED '000	2020 AED '000
Supply of chilled water	1,640,929	1,408,148
Value chain business	47,066	53,827
Revenue from contracts with customers	1,687,995	1,461,975
Operating lease income	77,101	77,853
Finance lease income (Note 15)	189,989	200,887
Lease income	267,090	278,740
	1,955,085	**1,740,715**

Revenue expected to be recognized in future related to performance obligation that are unsatisfied (or partially unsatisfied):

	2021 AED '000	2020 AED '000
Within one year	708,687	493,771
After one but no more than five years	2,745,216	1,906,843
More than five years	12,027,351	7,077,128
	15,481,254	**9,477,742**

The unsatisfied performance obligation that is part of value chain business revenue is expected to have a duration of one year or less hence revenue expected to be recognized in future related to performance obligations is not disclosed.

	2021 AED '000	2020 AED '000
Timing of transfer of goods and services:		
At a point in time	30,055	29,921
Over time	1,657,940	1,432,054
	1,687,995	**1,461,975**

4. Operating segments

For management purposes, the Group is organised into business units based on their products and services. The two reportable operating segments are as follows:

- The 'Chilled water' segment constructs, owns, assembles, installs, operates and maintains cooling and conditioning systems. In addition, the segment distributes and sells chilled water for use in district cooling technologies (Note 9).
- The 'Value chain business' segment is involved in ancillary activities relating to the expansion of the Group's chilled water business (Note 9).

	2021				2020			
	Chilled water AED '000	Value chain business AED '000	Eliminations AED '000	Total AED '000	Chilled water AED '000	Value chain business AED '000	Eliminations AED '000	Total AED '000
Continuing operations								
Revenues								
External revenue	1,882,090	72,995	-	1,955,085	1,686,888	53,827	-	1,740,715
Inter-segment revenue	-	43,880	(43,880)	-	-	38,147	(38,147)	-
Total revenues	1,882,090	116,875	(43,880)	1,955,085	1,686,888	91,974	(38,147)	1,740,715
Direct costs	(1,038,931)	(64,142)	18,809	(1,084,264)	(856,122)	(44,081)	14,117	(886,086)
Gross profit	843,159	52,733	(25,071)	870,821	830,766	47,893	(24,030)	854,629
Impairment provision for trade receivables	(676)	(420)	-	(1,096)	(5,259)	(320)	-	(5,579)
Administrative and other expenses	(233,013)	(29,236)	15,704	(246,545)	(212,089)	(23,643)	16,746	(218,986)
Operating profit	**609,470**	**23,077**	**(9,367)**	**623,180**	**613,418**	**23,930**	**(7,284)**	**630,064**
Finance costs	(257,089)	(619)	-	(257,708)	(220,908)	(693)	-	(221,601)
Finance income	2,583	102	-	2,685	2,711	97	-	2,808
Other gains and losses, net	130,233	-	-	130,233	79,041	-	-	79,041
Share of results of associates and joint ventures	35,673	-	-	35,673	51,195	-	-	51,195
Profit from continuing operations	520,870	22,560	(9,367)	534,063	525,457	23,334	(7,284)	541,507
Profit from discontinued operation	76,682	-	-	76,682	31,963	-	-	31,963
Profit for the year	**597,552**	**22,560**	**(9,367)**	**610,745**	**557,420**	**23,334**	**(7,284)**	**573,470**

Inter-segment transactions are eliminated on consolidation.

Segment results include an amount of depreciation and amortisation allocated to the operating segments as follows:

	2021			2020		
	Chilled water AED'000	Value chain business AED'000	Total AED'000	Chilled water AED'000	Value chain business AED'000	Total AED'000
Depreciation on property, plant and equipment (Note 11)	184,859	3,520	188,379	163,898	3,719	**167,617**
Depreciation on Right-of-use asset (Note 16)	22,408	1,000	23,408	21,278	464	**21,742**
	207,267	**4,520**	**211,787**	**185,176**	**4,183**	**189,359**

Segment assets and liabilities are as follows:

	2021			2020		
	Chilled water AED'000	Value chain business AED'000	Total AED'000	Chilled water AED'000	Value chain business AED'000	Total AED'000
Other segment assets	14,300,835	159,702	14,460,537	12,494,881	129,917	**12,624,798**
Investments in associates	354,098	-	354,098	339,063	-	**339,063**
Investment in joint ventures	18,692	-	18,692	19,195	-	**19,195**
Assets held for sale	-	-	-	329,885	-	**329,885**
Total assets	14,673,625	159,702	14,833,327	13,183,024	129,917	**13,312,941**
Segment liabilities	8,377,490	80,704	8,458,194	7,372,803	64,968	**7,437,771**
Total liabilities	**8,377,490**	**80,704**	**8,458,194**	**7,372,803**	**64,968**	**7,437,771**

The table below illustrates the capital expenditures added during the year:

	2021			2020		
	Chilled water AED'000	Value chain business AED'000	Total AED'000	Chilled water AED'000	Value chain business AED'000	Total AED'000
Capital expenditure:						
Property, plant and equipment	17,212	2,792	20,004	13,937	2,243	16,180
Capital work in progress	136,390	-	136,390	89,170	-	89,170

Geographic information

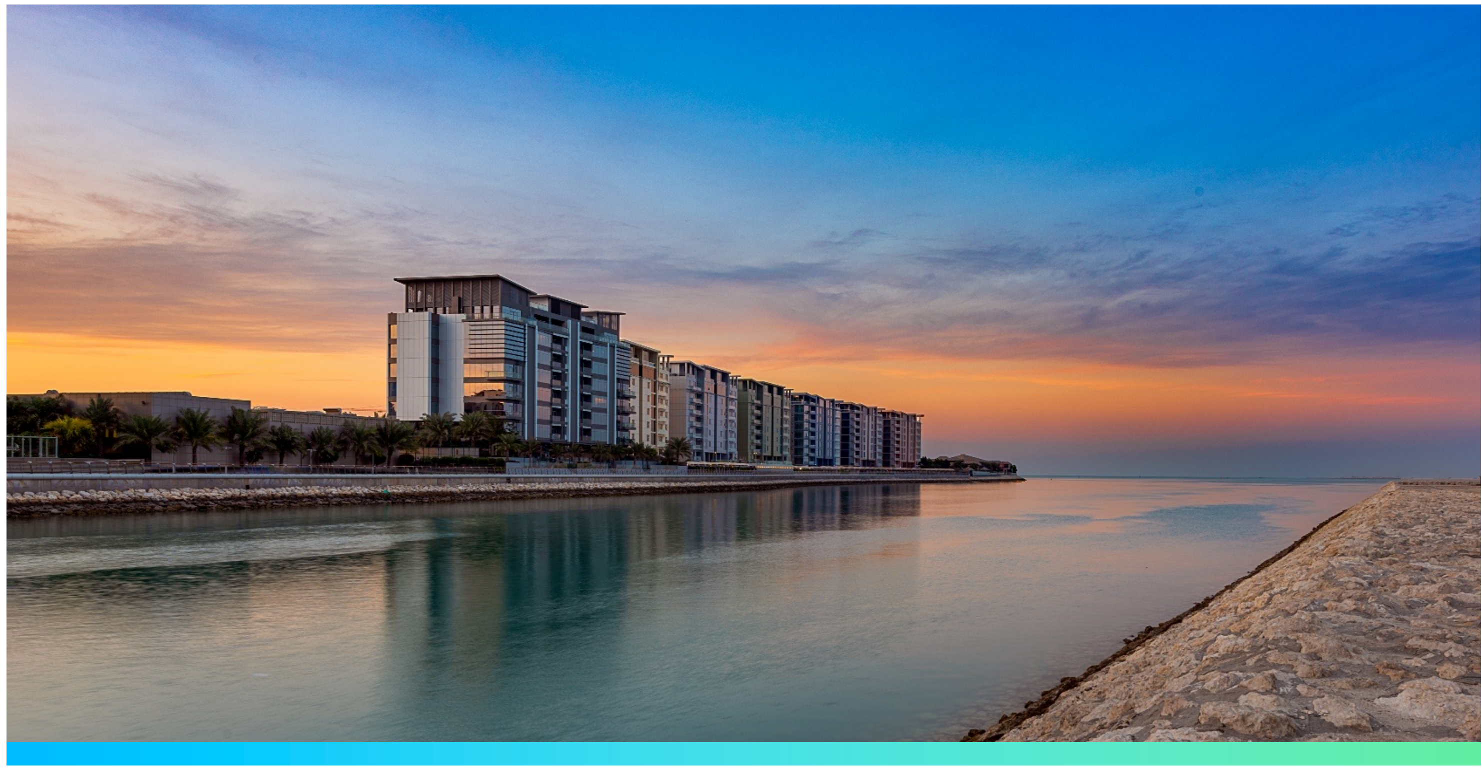
The following table presents certain non-current assets and revenue information relating to the Group based on geographical location of the operating units:

	Revenue		Non-current assets	
	2021 AED '000	2020 AED '000	2021 AED '000	2020 AED '000
United Arab Emirates	1,876,397	1,667,824	11,988,169	9,878,249
Others	78,688	72,891	582,452	535,445
	1,955,085	**1,740,715**	**12,570,621**	**10,413,694**

Revenue from external customers

The following table provides information relating to the Group's major customers, which individually contribute more than 10% towards the Group's revenue for the year ended 31 December 2021 and 31 December 2020.

	2021 AED'000	2020 AED'000
Chilled water segment:		
Customer 1	346,195	361,148
Customer 2	303,565	206,004
Customer 3	183,329	218,046
	833,089	**785,198**



5. Finance costs

	2021 AED '000	2020 AED '000
Interest charged to consolidated statement of profit or loss during the year	257,708	221,601
Interest charged to consolidated statement of profit or loss comprises of:		
Interest on interest bearing loans and borrowings	62,360	68,936
Profit on Sukuk	100,996	100,996
Interest on Bonds	45,913	7,620
Profit on Islamic financing arrangements	14,926	4,913
Amortisation of transaction costs (Note 19)	15,976	16,919
Finance cost related to lease liabilities (Note 17,19)	14,013	15,603
Other finance costs	3,524	6,614
	257,708	**221,601**

6. Profit from operations

6.1 Direct costs

	2021 AED '000	2020 AED '000
Cost of inventories recognised as an expense (i)	38,687	34,212
Depreciation of property, plant and equipment (Note 11)	179,046	157,833
Depreciation of right-of-use assets (Note 16)	15,128	12,419
Amortisation of intangible assets (Note 14)	61,385	33,030
Utility costs	646,042	521,297
Purchase of chilled water from a related party (Note 28)	62,256	62,128
Staff costs (Note 6.3)	76,622	63,306
Others	5,098	1,861
	1,084,264	**886,086**

(i) As at 31 December 2021, the inventory balance represents stores and spares which are utilised for repairs and maintenance of the plants managed by the Group.

6.2 Administrative and other expenses

	2021 AED '000	2020 AED '000
Staff costs (Note 6.3)	153,559	147,579
Depreciation of property, plant and equipment (Note 11)	9,333	9,784
Depreciation of right-of-use assets (Note 16)	8,280	9,323
Other expenses	75,373	52,300
	246,545	**218,986**

6.3 Staff costs

	2021 AED '000	2020 AED '000
Salaries, benefits and allowances	223,264	204,529
Employees' end of service benefits (Note 25)	6,917	6,356
	230,181	**210,885**

Staff costs are allocated as follows:

Direct costs (Note 6.1)	76,622	63,306
Administrative and other expenses (Note 6.2)	153,559	147,579
	230,181	**210,885**

Included in other gains and losses is an amount of AED 20 million in regard to the costs related to acquisition of subsidiaries and other cost written off related to other bids submitted during the year.

Included in other gains and losses is an amount of AED 30 million for provisions made against capital inventory.

7. Basic and diluted earnings per share attributable to ordinary equity holders of the parent

Basic earnings per share are calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following reflects the profit and share data used in the basic and diluted earnings per share computations:

	2021 AED '000	2020 AED '000
Profit for the year attributable to ordinary equity holders of the parent for basic earnings (AED '000)		
From continuing operations	508,474	518,379
From discontinued operation	76,682	31,963
	585,156	**550,342**
Weighted average number of shares (excluding treasury shares) outstanding during the year ('000)	2,772,659	2,772,659
Basic earnings per share from continuing operations (AED)	0.18	0.19
Basic earnings per share from discontinued operation (AED)	0.03	0.01
Total basic earnings per share (AED)	**0.21**	**0.20**

The Company does not have any instruments which would have a dilutive impact on earnings per share. Therefore, basic and diluted earnings per share are same for the years ended 31 December 2021 and 2020.

8. Dividends and board remuneration

On 14 February 2022, the Board of Directors resolved to recommend to the shareholders at the upcoming Annual General Assembly meeting, the distribution of cash dividends of 6.0 fils per share and bonus shares of 2.5% to the shareholders in respect of the fiscal year ended 31 December 2021.

In 2021, the Board of Directors proposed the distribution of cash dividends of 5.75 fils per share and bonus shares of 2.22% to the shareholders in respect of the fiscal year ended 31 December 2020. The shareholders at the Annual General Assembly Meeting held on 21 March 2021 approved the dividend and the bonus shares. Accordingly, the dividend amounted to AED 156.1 million and was paid in April 2021 and the bonus shares comprising 60,345,091 shares were issued in April 2021.

In 2020, the Board of Directors proposed a cash dividend of 10.5 fils per share to the shareholders in respect of the fiscal year ended 31 December 2019. The shareholders at the Annual General Assembly Meeting held on 15 March 2020 approved the dividend. The dividend amounted to AED 285.1 million and was paid in April 2020.

Furthermore, Board of Directors' remuneration of AED 7.1 million for the year ended 31 December 2020 was also approved at the Annual General Meeting held on 21 March 2021. Board remuneration of AED 7.1 million for the year ended 31 December 2019 was approved at the previous Annual General Meeting held on 15 March 2020.

9. Subsidiaries

The consolidated financial statements include the financial statements of the Company and the subsidiaries listed in the following table:

Chilled water segment	Country of incorporation	Percentage of holding 2021	2020	Principal activities
National Central Cooling Company Ras Al Khaimah LLC	UAE	100	100	Sale of chilled water
Summit District Cooling Company	UAE	100	100	Sale of chilled water
Bahrain District Cooling Company	Bahrain	99.8	99.8	Sale of chilled water
Tabreed Oman SAOC	Oman	61	61	Sale of chilled water
Tabreed LLC Oman	Oman	100	100	Sale of chilled water
Tabreed Operation & Maintenance Zones Cooling Stations Company	UAE	100	100	Operation and maintenance of plants
Tabreed Parks Investment LLC	UAE	100	100	Sale of chilled water
Prime District Cooling Company LLC	UAE	75	75	Sale of chilled water
S&T Cool District Cooling Company LLC	UAE	100	100	Sale of chilled water
Tabreed Amaravati District Cooling Private Limited (TADCPL)	India	100	100	Sale of chilled water
Downtown District Cooling LLC	UAE	80	80	Sale of chilled water
Tabreed Sustainable City Limited	UAE	100	100	Sale of chilled water
Saadiyat District Cooling LLC	UAE	100	-	Sale of chilled water
Saadiyat Cooling LLC	UAE	100	-	Sale of chilled water
Business District Cooling Investment LLC	UAE	100	-	Sale of chilled water

Value chain business segment:	Country of incorporation	2021	2020	
Gulf Energy Systems LLC	UAE	100	100	Construction of secondary networks
Emirates Preinsulated Pipes Industries LLC	UAE	65	65	Manufacturing of pre-insulated pipes
Installation Integrity 2000 LLC	UAE	100	100	Commissioning and engineering services
CoolTech Energy Water Treatment LLC	UAE	100	100	Water treatment services and sale chilled water related products
Ian Banham and Associates	UAE	70	70	Design and supervision consultancy
Sahara Cooling and Air Conditioning LLC	UAE	51	51	Supervision services
Tasleem Metering and Payment LLC	UAE	100	100	Billing and collection of chilled water charges
Cooltech Water Treatment LLC	UAE	100	100	Water treatment services and sale chilled water related
Cooltech Water Service L.L.C.	UAE	100	100	Water treatment services and sale chilled water related
Tabreed Energy Service L.L.C.	UAE	100	100	Building energy efficiency service
Tabreed Holdings WLL	Bahrain	100	100	Act as a holding company
Tabreed Al Maryah District Cooling Investment LLC	UAE	100	100	Act as a holding company
District Utilities Energy Investments LLC	UAE	100	100	Act as a holding company
Tabreed India Private Limited	India	100	100	Act as a holding company
Tabreed Energy Investments Sole Proprietorship LLC	UAE	100	100	Act as a holding company
Tabreed Utilities & Metering Energy Investment LLC	UAE	100	100	Act as a holding company
Central Utilities & Metering Energy Investment LLC	UAE	100	100	Act as a holding company
Tabreed Infopark Cooling Private Limited	India	100	-	Act as a holding company
Tabreed Asia Central Cooling Company LTE PTE	Singapore	100	-	Act as a holding company
Tabreed Company for Central Cooling Services LLC (Tabreed Misr)	Egypt	99	-	Act as a holding company

During the year ended 31 December 2021, the Group purchased 100% shares in Saadiyat District Cooling LLC , 100% shares in Saadiyat Cooling LLC and 50% shares of Business District Cooling Investment LLC (BDCI), from a joint venture partner and BDCI became 100% owner of the entity (Note 27).

10. Capital work in progress

The movement in capital work in progress during the year was as follows:

	2021 AED '000	2020 AED '000
At 1 January	292,808	62,912
Additions during the year	136,359	89,170
Acquisition through business combination (Note 27)	17,463	173,820
Transfer to property, plant and equipment (Note 11)	(278,145)	(33,094)
Transfer to finance lease receivable (Note 15)	(40,469)	-
	128,016	**292,808**
Advances (i)	73,640	6,681
At 31 December	201,656	299,489

I. In December 2021, the Group signed an Agreement with a developer in Oman to acquire a district cooling plant for a value of AED 65.3 million. The payment was made in December 2021 but the transaction was not completed and was subject to finalisation of certain conditions and is therefore recorded under capital work in progress. The transaction was completed subsequent to year end and accordingly will be transferred from capital work in progress to the relevant financial position line items in the subsequent reporting period.

II. Refer to note 11 for impairment indicators assessment of cash generating units.

11. Property, plant and equipment

	Land, plant and buildings AED'000	Distribution network AED'000	Furniture and fixtures AED'000	Office equipment and instruments AED'000	Motor vehicles AED'000	Total AED'000
2021						
Cost:						
At 1 January 2021	4,326,786	2,576,593	24,004	54,538	1,329	6,983,250
Additions during the year	10,647	4,395	403	4,534	24	20,003
Acquisition through business combination (Note 27)	265,651	-	-	-	-	265,651
Transfer from capital work in progress (Note 10)	196,775	81,135	235	-	-	278,145
At 31 December 2021	4,799,859	2,662,123	24,642	59,072	1,353	7,547,049
Accumulated depreciation:						
At 1 January 2021	1,020,989	467,861	9,939	44,218	1,288	1,544,295
Depreciation for the year	123,897	59,805	1,305	3,316	56	188,379
At 31 December 2021	1,144,886	527,666	11,244	47,534	1,344	1,732,674
Net carrying amount before accumulated impairment: At 31 December 2021	3,654,973	2,134,457	13,398	11,538	9	5,814,375
Accumulated impairment:						
At 1 January 2021 and at 31 December 2021	527,691	473,982	-	-	-	1,001,673
Net carrying amount after accumulated impairment: At 31 December 2021	3,127,282	1,660,475	13,398	11,538	9	4,812,702

	Land, plant and buildings AED'000	Distribution network AED'000	Furniture and fixtures AED'000	Office equipment and instruments AED'000	Motor vehicles AED'000	Total AED'000
2020						
Cost:						
At 1 January 2020	3,840,041	2,404,794	21,833	50,716	1,327	6,318,711
Additions for the year	8,178	4,126	66	3,810	-	16,180
Acquisition through business combination	478,503	136,741	7	12	2	615,265
Transfer from capital work in progress (Note 10)	64	30,932	2,098	-	-	33,094
At 31 December 2020	4,326,786	2,576,593	24,004	54,538	1,329	6,983,250
Accumulated depreciation:						
At 1 January 2020	917,220	408,933	8,406	40,901	1,218	1,376,678
Depreciation for the year	103,769	58,928	1,533	3,317	70	167,617
At 31 December 2020	1,020,989	467,861	9,939	44,218	1,288	1,544,295
Net carrying amount before accumulated impairment: At 31 December 2020	3,305,797	2,108,732	14,065	10,320	41	5,438,955
Accumulated impairment:						
At 1 January 2020 and at 31 December 2020	527,691	473,982	-	-	-	1,001,673
Net carrying amount after accumulated impairment: At 31 December 2020	2,778,106	1,634,750	14,065	10,320	41	4,437,282

The depreciation charge for the year has been allocated as follows:

	2021 AED '000	2020 AED '000
Included in direct costs (Note 6.1)	179,046	157,833
Included in administrative and other expenses (Note 6.2)	9,333	9,784
	188,379	167,617

Property, plant and equipment of AED 339.8 million (2020: AED 310.4 million) have been pledged as security against interest-bearing loans (Note 22).

The management undertakes an annual strategic review of all its projects with the view of assessing the impact of any internal or external factors on the recoverable amount of the Group's property, plant and equipment, customer and other contracts and capital work in progress.

Where required, the Group applies the value in use methodology using cash flow projections to estimate the recoverable amount of its property, plant and equipment, customer and other contracts and capital work in progress approved by the Group's management and Board of Directors.

The calculation of value in use is most sensitive in the following judgements and assumptions:

- Identification of cash generating units;
- Estimated use of the plant measured by its Equivalent Full Load Hours (EFLH) defined as annual ton-hours of cooling actually supplied divided by the supplying chiller's design capacity in tons;
- Amount and timing of revenue relating to capacity of the plant:
- Contracted but not connected at year end;
- Inflation rate used to extrapolate cash flows beyond the period of the initial agreement with the respective customer;
- Cost of construction relating to plant and equipment under construction based on contracts signed to date and estimate of cost required to complete;
- Discount rate based on the Group's weighted average cost of capital (WACC) of 6.5% - 10%; and
- Terminal value of distribution assets and buildings.
- Revenue estimates are based on discussions with existing and potential customers and expected future loads. Cash inflows are based on the term of the existing contracts with the respective customers extended to the period of expected usage of the plant.

During the year ended 31 December 2021, no borrowing cost is capitalised (2020: nil).

12. Investments in associates

The Group has the following investments in associates:

	Country of incorporation	Principal activities	Ownership 2021	Ownership 2020	Carrying value 2021	Carrying value 2020
Industrial City Cooling Company	United Arab Emirates	Sale of chilled water	20%	20%	-	4,139
Tabreed District Cooling Company (Saudi)	Kingdom of Saudi Arabia	Sale of chilled water	28%	28%	**313,572**	306,199
Sahara Cooling Limited	United Arab Emirates	Sale of chilled water	40%	40%	**40,526**	28,725
					354,098	339,063

The Group's interest in associates is accounted for using the equity method in the consolidated financial statements. Movement in investments in associates is as follows

	2021 AED '000	2020 AED '000
At 1 January	**339,063**	566,454
Share of results for the year from continuing operations	**21,026**	35,191
Share of results for the year from discontinued operation (i)	**24,732**	31,963
Additions (ii)	**-**	126,274
Dividends received	**(8,835)**	(81,776)
Share of changes in fair value of effective cash flow hedges	**10,715**	(4,513)
Adjustments for inter group transactions	**(7,871)**	(4,645)
Classified as held for sale (i)	**(24,732)**	(329,885)
At 31 December	**354,098**	**339,063**

Below is the movement of assets held for sale:

	2021 AED '000	2020 AED '000
At 1 January	**329,885**	-
Classified as held for sale	**-**	297,922
Share of results for the year from discontinued operation (i)	**24,732**	31,963
Disposed of during the year (i)	**(354,617)**	
At 31 December	**-**	**329,885**

The associates are involved in the same business activity as Tabreed. The reporting dates for the associates are same as for the Tabreed. The investments are considered strategic to the Group.

i) On 15 August 2021, the group disposed of its interest in Qatar Central Cooling Company PJSC to its existing shareholders for a consideration of AED 406.6 million (net of tax). The carrying value of investment at the time of disposal was AED 354.6 million which accordingly resulted in a gain of AED 51.95 million upon disposal, and is reported under profit from discontinued operation in the consolidated statement of profit or loss. During the year 2020, the Group recorded acquisition of 8% additional shares purchased from an existing shareholder of Tabreed District Cooling Company (Saudi), at a price of AED 126.3 million. Accordingly, this amount was transferred from 'Advance towards investment in an associate' to 'investments in associates'. The transaction resulted in an increase in the Group's shareholding in Tabreed District Cooling Company (Saudi) from 20% to 28% in 2020.

The following illustrates summarised financial information of the Group's investments in associates. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not the Group's share of those amounts. They have been amended to reflect adjustments made by the Group when using the equity method, including fair value adjustments and premiums.

	Tabreed District Cooling Company (Saudi) AED '000	Others AED '000	Total AED '000
2021			
Total current assets	**501,624**	**68,821**	**570,445**
Total non-current assets	**1,977,840**	**324,544**	**2,302,384**
Total current liabilities	**(247,702)**	**(35,371)**	**(283,073)**
Total non-current liabilities	**(1,111,861)**	**(256,678)**	**(1,368,539)**
Net assets	**1,119,901**	**101,316**	**1,221,217**
Tabreed's share of net assets	**313,572**	**40,526**	**354,098**

	Tabreed District Cooling Company (Saudi) AED '000	Others AED '000	Total AED '000
2020			
Total current assets	726,912	66,960	793,872
Total non-current assets	1,963,654	336,911	2,300,565
Total current liabilities	(387,660)	(26,835)	(414,495)
Total non-current liabilities	(1,209,338)	(284,525)	(1,493,863)
Net assets	1,093,568	92,511	1,186,079
Tabreed's share of net assets	306,199	32,864	339,063

Reconciliation of carrying amounts

	Tabreed District Cooling Company (Saudi) AED '000	Others AED '000	Total AED '000
2021			
Opening net assets	1,093,567	92,511	1,186,078
Profit for the year	5,000	42,778	47,778
Other comprehensive income	26,100	8,518	34,618
Dividends paid	-	(24,710)	(24,710)
Other adjustments	(4,768)	(17,781)	(22,549)
Closing net assets	1,119,899	101,316	1,221,215
Tabreed's share of net assets	313,572	40,526	354,098

	Tabreed District Cooling Company (Saudi) AED '000	Others AED '000	Total AED '000
2020			
Opening net assets	862,169	256,664	1,118,833
Profit for the year	42,436	62,260	104,696
Other comprehensive income	(21,955)	(308)	(22,263)
Dividends paid	-	(208,460)	(208,460)
Other adjustments	210,917	(17,645)	193,272
Closing net assets	1,093,567	92,511	1,186,078
Tabreed's share of net assets	306,199	32,864	339,063

	Tabreed District Cooling Company (Saudi) AED '000	Others AED '000	Total AED '000
2021			
Revenue	260,956	118,968	379,924
Cost of sales	(98,163)	(43,333)	(141,496)
Administrative and other expenses	(82,250)	(23,753)	(106,003)
Other income	2,211	121	2,332
Net finance cost	(77,754)	(9,225)	(86,979)
Profit for the year	5,000	42,778	47,778
Tabreed's share of results for the year	1,400	19,626	21,026

	Tabreed District Cooling Company (Saudi) AED '000	Others AED '000	Total AED '000
2020			
Revenue	257,494	134,156	391,650
Cost of sales	(88,067)	(60,276)	(148,343)
Administrative and other expenses	(57,155)	(3,550)	(60,705)
Other income	(1,936)	-	(1,936)
Net finance cost	(67,900)	(8,070)	(75,970)
Profit for the year	42,436	62,260	104,696
Tabreed's share of results for the year	11,882	23,309	35,191

Net assets of associates include the Group's share of negative fair value of derivatives of associates amounting to AED 2.9 million (2020: AED 13.6 million). Summarised financial information of the Group's investments in associates is adjusted for intercompany transactions.

Commitments and contingent liabilities in respect of the associates are disclosed in notes 29 and 30.

13. Investments in joint ventures

The Group has the following investments in joint ventures:

	Country of incorporation	Principal activities	Ownership 2021	Ownership 2020	Carrying value 2021	Carrying value 2020
SNC Lavalin Gulf Contractors LLC (i)	United Arab Emirates	Sale of chilled water	**51%**	51%	**18,692**	18,983
Business District						
Cooling Investment LLC (ii)	United Arab Emirates	Sale of chilled water	**100%**	50%	**-**	212
					18,692	19,195

i) SNC Lavalin Gulf Contractors LLC (SLGC), a limited liability company is involved in engineering, procurement, construction and construction management in the field of District Cooling. The Group's interest in SLGC is accounted for using the equity method in the consolidated financial statements as both the shareholders jointly control and have equal rights to the net assets.

ii) On 25 October 2021, the Group

acquired additional 50% of the shares of Business District Cooling Investment LLC, from a joint venture partner and became 100% owner of the entity. The acquisition has been accounted for using step acquisition method in accordance with IFRS 3 Business Combination (Note 27).

The reporting date for the joint ventures was same as for Tabreed.

Movement in investments in joint ventures was as follows:

	2021 AED '000	2020 AED '000
At 1 January	**19,195**	39,254
Share of results for the year	**14,647**	16,004
Dividends paid	**(5,751)**	(7,750)
Share of changes in fair value of effective cash flow hedges	**20,385**	(23,996)
Adjustments for inter group transactions	**(4,929)**	(4,317)
De-recognition of investment in joint ventures and recognition as a subsidiary (Note 27)	**(24,855)**	-
At 31 December	**18,692**	**19,195**
Share of the joint ventures' revenues and profits:		
Revenues	**69,217**	**78,501**
Profit for the year	**14,647**	**16,004**

The following illustrates summarised financial information of the Group's investments in joint ventures:

	2021 AED '000	2020 AED '000
Revenue	**138,119**	156,613
Cost of sales	**(62,482)**	(64,022)
Administrative and other expenses	**(14,530)**	(17,437)
Other income	**264**	18
Net finance cost	**(32,064)**	(43,135)
Profit for the year	**29,307**	32,037
Tabreed's share of results for the year	**14,647**	16,004
Total current assets	**51,399**	101,448
Total non-current assets	**299**	833,142
Total current liabilities	**(15,536)**	(243,811)
Total non-current liabilities	**488**	(652,389)
Net assets	**36,650**	38,390
Tabreed's share of net assets	**18,692**	19,195
Reconciliation of carrying amounts:		
Opening net assets	**38,389**	78,508
Profit for the year	**29,307**	32,037
Other comprehensive income/(loss)	**30,820**	(47,990)
Dividends paid	**(11,502)**	(15,500)
Other adjustments	**(655)**	(8,666)
Closing net assets	**86,359**	38,389
De-recognition of investment in joint ventures and recognition as a subsidiary	**(24,855)**	-
Tabreed's share of net assets	**18,692**	19,195

Net assets of joint ventures include the Group's share of negative fair value of derivatives of a joint venture amounting to nil (2020: AED 56.0 million). Summarised financial information of the Group's

investments in joint ventures is adjusted for intercompany transactions.

Commitments and contingent liabilities in respect of the joint ventures are disclosed in Notes 29 and 30.

14. Intangible assets

Goodwill

	2021 AED '000	2020 AED '000
At 1 January	**107,446**	28,527
Acquisition through business combinations	**240,288**	78,919
At 31 December	**347,734**	**107,446**

	2021 AED '000	2020 AED '000
Ian Banham & Associates	**28,527**	28,527
Downtown District Cooling LLC	**78,919**	78,919
Business District Cooling Investment LLC (Note 27)	**240,288**	-
	347,734	107,446

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of the goodwill for each cash-generating units (CGUs) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial

budgets approved by the board covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth and inflation rates. These growth rates are consistent with forecasts from previous years and industry specific benchmarks in which each CGU operates.

Intangibles: Contracts

	2021 AED '000	2020 AED '000
At 1 January	**2,252,681**	-
Acquisition through business combinations (Note 27)	**1,745,422**	2,285,711
Amortisation charge for the year (Note 6.1)	**(61,385)**	(33,030)
At 31 December	**3,936,718**	**2,252,681**

The customer contracts and contractual rights were acquired as part of a business combination. They are recognised at their fair value at the date of acquisition, and are subsequently amortised on a straight-line based on the timing of projected

cash flows of the contracts over their estimated useful lives.

Refer to note 11 for impairment indicators assessment of intangible assets.

15. Finance lease receivables

Movement in the finance lease receivables during the year was as follows:

	2021 AED '000	2020 AED '000
At 1 January, net	**3,108,650**	3,144,531
Finance lease income	**227,062**	234,493
Variable lease payment CPI indexation	**(37,073)**	(33,606)
Total finance lease income (Note 3)	**189,989**	200,887
Initial recognition of new finance lease receivables	**40,469**	-
Lease rentals received	**(326,830)**	(318,491)
Modification of existing finance lease	**-**	81,723
At 31 December, net	**3,012,278**	3,108,650

Finance lease receivable is allocated in the consolidated statement of financial position as follows:

	2021 AED '000	2020 AED '000
Current assets	**323,588**	315,581
Non-current assets	**2,688,690**	2,793,069
	3,012,278	3,108,650

Future minimum lease receivables under finance leases together with the present value of net minimum lease receivables are as follows:

	2021		2020	
	Minimum lease receivables AED '000	Present value of minimum lease AED '000	Minimum lease receivables AED '000	Present value of minimum lease AED '000
Within one year	**336,623**	**323,588**	328,493	315,581
After one but no more than five years	**1,346,490**	**1,081,289**	1,345,969	1,080,829
More than five years	**3,428,911**	**1,607,401**	3,755,832	1,712,240
	5,112,024	**3,012,278**	5,430,294	3,108,650
Unearned finance income	**(2,099,746)**	**-**	(2,321,644)	-
	3,012,278	**3,012,278**	3,108,650	3,108,650

Movement in unearned finance income was as follows:

	2021 AED '000	2020 AED '000
At 1 January	2,321,644	2,143,048
Modification of existing finance lease	-	441,074
Finance income recognised during the year	(227,062)	(234,493)
Variable lease payment CPI indexation	(29,907)	(27,985)
Relating to new finance leases	35,071	-
At 31 December	2,099,746	2,321,644

No unguaranteed residual value to the benefit of the lessor is assumed for the purpose of the above calculation.

The Group leases represent district cooling plants. Contracts are usually made for fixed periods of 15 years to 30 years. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. The Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

16. Right-of-use assets

Movement in right-of-use asset was summarised as follows

	Land, plant and buildings AED'000	Distribution network AED'000	Motor vehicles AED'000	Total AED'000
2021				
Cost:				
At 1 January 2021	**239,527**	**45,100**	**10,733**	**295,360**
Acquisition through business combination (Note 27)	**-**	**45,660**	**-**	**45,660**
Additions during the year	**16,320**	**-**	**6,290**	**22,610**
At 31 December 2021	**255,847**	**90,760**	**17,023**	**363,630**
Depreciation:				
At 1 January 2021	**35,907**	**82**	**5,649**	**41,638**
Depreciation for the year	**18,384**	**1,777**	**3,247**	**23,408**
At 31 December 2021	**54,291**	**1,859**	**8,896**	**65,046**
Net carrying amount before accumulated impairment: At 31 December 2021	**201,556**	**88,901**	**8,127**	**298,584**
Impairment:				
At 1 January 2021 and at 31 December 2021 (i)	**88,253**	**-**	**-**	**88,253**
Net carrying amount after accumulated impairment: At 31 December 2021	**113,303**	**88,901**	**8,127**	**210,331**

Movement in right-of-use asset was summarised as follows

	Land, plant and buildings AED'000	Distribution network AED'000	Motor vehicles AED'000	Total AED'000
2020				
Cost:				
At 1 January 2020	**238,383**	**-**	**6,033**	**244,416**
Acquisition through business combination (Note 27)		**45,100**	**-**	**45,100**
Additions	**1,144**	**-**	**4,700**	**5,844**
At 31 December 2020	**239,527**	**45,100**	**10,733**	**295,360**
Depreciation:				
At 1 January 2020	**17,913**	**-**	**1,983**	**19,896**
Depreciation for the year	**17,994**	**82**	**3,666**	**21,742**
At 31 December 2020	**35,907**	**82**	**5,649**	**41,638**
Net carrying amount before accumulated impairment: At 31 December 2020	**203,620**	**45,018**	**5,084**	**253,722**
Impairment:				
At 1 January 2020 and at 31 December 2020	**88,253**	**-**	**-**	**88,253**
Net carrying amount after accumulated impairment: At 31 December 2020	**115,367**	**45,018**	**5,084**	**165,469**

The depreciation charge for the year has been allocated as follows:

	2021 AED '000	2020 AED '000
Included in direct costs (Note 6.1)	**15,128**	12,419
Included in administrative and other expenses (Note 6.2)	**8,280**	9,323
	23,408	21,742

17. Lease liabilities

Movement in the lease liabilities during the year is as follows:

	2021 AED '000	2020 AED '000
At 1 January 2020	**264,400**	294,749
Addition	**22,610**	5,843
Accretion (Note 5)	**14,013**	15,603
Repayment	**(53,759)**	(51,795)
At 31 December 2020	**247,264**	**264,400**

Lease liabilities are allocated in the consolidated statement of financial position as follows:

	2021 AED '000	2020 AED '000
Current	**46,685**	44,801
Non-current	**200,579**	219,599
	247,264	**264,400**

Amounts recognised in the consolidated statement of comprehensive income as follows:

The statement of comprehensive income shows the following amounts relating to leases:

	2021 AED '000	2020 AED '000
Depreciation of right-of-use asset (Note 16)	**23,408**	21,742
Finance cost on lease liabilities (Note 5)	**14,013**	15,603
	37,421	**37,345**

The statement of cash flows shows the following movement relating to leases:

	2021 AED '000	2020 AED '000
Principle elements of lease payments	**39,746**	36,192
Finance cost on lease liabilities (Note 5)	**14,013**	15,603
	53,759	**51,795**

18. Trade and other receivables

	2021 AED '000	2020 AED '000
Trade receivables, net	**500,936**	728,055
Amounts due from related parties (Note 28)	**57,523**	50,642
Advances to suppliers and employees	**20,540**	11,171
Deposits, accruals and other receivables	**97,676**	96,150
Prepayments	**14,332**	12,449
	691,007	**898,467**

As at 31 December 2021, trade receivables with a nominal value of AED 41.7 million (2020: AED 48.9 million) were provided for as per the requirements of IFRS 9 expected credit loss model. Movement in the provision for impairment of trade receivables is as follows:

	2021 AED '000	2020 AED '000
At 1 January	**48,866**	61,449
Charge for the year	**1,096**	5,579
Amounts reversed/ written off	**(8,285)**	(18,162)
At 31 December	**41,677**	**48,866**

The following table details the risk profile of trade receivables and amounts due from related parties based on the Group's provision matrix. Group's provision for loss allowance is based on past due status between the Group's different customer base for majority of the customers.

As at 31 December, the ageing analysis of trade receivables and amounts due from related parties is as follows:

	Total	Current	< 30 days	30 – 60 days	60 – 90 days	90 – 120 days	120 – 365 days	>365 days
2021								
Gross receivable (AED'000)	**600,136**	248,970	69,583	89,412	39,108	20,242	54,946	77,875
Provision %	**6.9%**	0.1%	0.2%	0.2%	1.0%	1.7%	16.7%	39.9%
Provision (AED'000)	**41,677**	290	168	199	403	334	9,194	31,089
Net receivable (AED'000)	**558,459**	**248,680**	**69,415**	**89,213**	**38,705**	**19,908**	**45,752**	**46,786**
2020								
Gross receivable (AED'000)	827,563	235,471	95,490	152,680	32,147	93,087	123,853	94,835
Provision %	5.6%	0.1%	0.2%	1.2%	1.5%	1.6%	14.8%	27.7%
Provision (AED'000)	48,866	263	192	1,853	485	1,494	18,284	26,295
Net receivable (AED'000)	**778,697**	**235,208**	**95,298**	**150,827**	**31,662**	**91,593**	**105,569**	**68,540**

Trade receivables are non-interest bearing and are generally on 30 – 60 days terms. It is not the practice of the Group to obtain collateral over receivables and the vast majority are, therefore, unsecured. For terms and conditions relating to related party receivables, refer to Note 28.

19. Cash and bank balances

Bank balances and cash included in the consolidated statement of financial position and in the consolidated statement of cash flows are as follows:

	2021 AED '000	2020 AED '000
Bank balances and cash	354,217	239,031
Bank deposits	843,056	1,073,863
Cash and cash equivalents as at 31 December	**1,197,273**	**1,312,894**

Included in the bank balances is an amount of AED 8.6 million (2020: AED 9.7 million) placed in debt service reserve accounts in relation to bank facilities and an amount of AED 3.7 million (2020: AED 4.2 million) held as cash margin against trade related bank guarantees and letters of credit.

Bank deposits attract a fixed rate of interest ranging from 0.17 % to 1.85% per annum (2020: 0.4% to 2.5% per annum).

Geographical concentration of cash and bank balances is as follows:

	2021 AED '000	2020 AED '000
Within UAE	1,166,399	1,285,785
Outside UAE	30,874	27,109
	1,197,273	**1,312,894**

The table below details changes in the Group's labilities arising from financing activities, including both cash and non-cash changes.

	2021 AED '000	2020 AED '000
Cash and bank balances	1,197,273	1,312,894
Interest bearing loans and borrowings	(2,530,048)	(2,156,407)
Islamic financing arrangements	(941,412)	(630,681)
Non-convertible Bonds and Sukuk	(3,643,080)	(3,639,348)
Lease liabilities	(247,264)	(264,400)
Net debt	**(6,164,531)**	**(5,377,942)**

Non-cash transactions in the consolidated statement of cash flows for the year 2021:

- AED 210.3 million of right-of-use assets.
- AED 247.3 million of lease liabilities.

	Cash and bank balances AED'000	Interest bearing loans and borrowings AED'000	Islamic financing arrange-ments AED'000	Non-converti-ble Bonds and Sukuk AED'000	Lease liabilities AED'000	Total AED'000
Net debt						
Balance at 1 January 2021	1,312,894	(2,156,407)	(630,681)	(3,639,348)	(264,400)	**(5,377,942)**
Cash flows	(115,621)	(24,479)	5,115	-	53,759	**(81,226)**
Non-cash transaction:						
Amortisation of transaction cost (Note 5)	-	(9,725)	(2,519)	(3,732)	-	**(15,976)**
Addition (Note 17)	-	(339,437)	(313,327)	-	(22,610)	**(675,374)**
Accretion (Note 5)	-	-	-	-	(14,013)	**(14,013)**
Balance at 31 December 2021	**1,197,273**	**(2,530,048)**	**(941,412)**	**(3,643,080)**	**(247,264)**	**(6,164,531)**

	Cash and bank balances AED'000	Interest bearing loans and borrowings AED'000	Islamic financing arrange-ments AED'000	Non-converti-ble Bonds and Sukuk AED'000	Lease liabilities AED'000	Total AED'000
Net debt						
Balance at 1 January 2020	226,902	(1,017,711)	-	(1,828,843)	(294,749)	**(2,914,401)**
Cash flows	1,085,992	(1,125,431)	(628,709)	(1,808,823)	51,795	**(2,425,176)**
Noncash transaction:						
Amortisation of transaction cost (Note 5)	-	(13,265)	(1,972)	(1,682)	-	**(16,919)**
Addition (Note 17)	-	-	-	-	(5,843)	**(5,843)**
Accretion (Note 5)	-	-	-	-	(15,603)	**(15,603)**
Balance at 31 December 2020	**1,312,894**	**(2,156,407)**	**(630,681)**	**(3,639,348)**	**(264,400)**	**(5,377,942)**

20. Issued capital

	2021 AED '000	2020 AED '000
Authorised, issued and fully paid up share capital		
Shares 2,775,874,215 (2020: 2,715,529,124) ordinary shares of AED 1 each (Note 8)	2,775,874	2,715,529

Total of 60,345,091 of bonus shares were issued in April 2021 (Note 8).

21. Statutory reserve

As required by the UAE Federal Law No. (2) of 2015, as amended, and the articles of association of companies registered in UAE, 10% of the profit of the parent and relevant subsidiaries for the year is transferred to the statutory reserve. The Company may resolve to discontinue such transfers when the reserve equals 50% of the issued capital. The reserve is not available for distribution.

22. Interest bearing loans and borrowings

	Effective interest rate %	2021 AED '000	2020 AED '000
Term loan 1(i)	LIBOR + margin	**1,873,755**	1,864,756
Term loan 2(ii) (Note 27)	LIBOR + margin	**334,297**	-
Term loan 3 (iii)	EIBOR + margin	**146,474**	157,072
Term loan 4(iv)	5.75%	**63,416**	67,558
Term loan 5(v)	5.75%	**51,651**	-
Term loan 6(vi)	EIBOR + margin	**60,455**	67,021
Term loan 7(vii)	EIBOR + Margin	**-**	-
		2,530,048	**2,156,407**

Interest bearing loans and borrowings are allocated in the consolidated statement of financial position as follows:

	2021 AED '000	2020 AED '000
Current portion	**35,014**	23,477
Non-current portion	**2,495,034**	2,132,930
	2,530,048	**2,156,407**

(i) Term loan 1

During the year 2020, the Group secured a facility of AED 1,900.4 million (US$ 517.4 million) from a syndicate of banks to finance the acquisition of a subsidiary. The facility carries interest rate of LIBOR plus a margin. The interest is payable in cash on a flexible basis as agreed with the Bank at every interest reset period. The facility is repayable with a 100% bullet payment in March 2025.

It is an un-secured facility, ranks pari passu with all other unsecured and unsubordinated liabilities of the Group.

(ii) Term loan 2

Term loan 2 relates to a subsidiary (Business District Cooling Investment LLC or "BDCI") and represents borrowing with a local commercial bank. The loan was acquired during 2021, as part of the business combination. The loan carries interest rate of LIBOR plus a margin, payable in cash on a quarterly basis and is secured against shares of the subsidiary pledged with the bank. The facility is repayable in semi-annual instalments with the last instalment due on 30 June 2034. During the year, total repayments of AED 5.5 million were made against this facility post acquisition.

(iii) Term loan 3

Term loan 3 relates to a subsidiary and represents borrowing with a local commercial bank. The facility amounting to AED 192.5 million was obtained to finance the construction of a plant. The facility carries interest rate of EIBOR plus a margin, payable in cash on a quarterly basis and is secured against the plant for which facility was obtained. The facility is repayable in 23 semi-annual instalments which commenced on March 2017 with a bullet payment of AED 48.1 million in March 2028. During the year, total repayments of AED 10.8 million were made against this facility (2020: AED 9.5 million).

(iv) Term loan 4

Term loan 4 relates to a subsidiary and represents borrowing with a local commercial bank. This facility is secured against the receivables and commercial charge over property, plant and equipment (plant & machinery). The loan is repayable in quarterly instalments and maturing in June 2029 and carries fixed interest of 5.75% per annum (December 2020: 5.75% per annum). During the year total repayments of AED 4.8 million were made (2020: AED 1.7 million).

(v) Term loan 5

During 2021, the Group acquired a new facility through a subsidiary which represents borrowing with a local commercial bank. This facility is secured against the receivables and commercial charge over property, plant and equipment (plant & machinery). The loan is repayable in quarterly instalments and maturing in December 2033 and carries fixed interest of 5.75% per annum (2020: nil).

(vii) Term loan 7

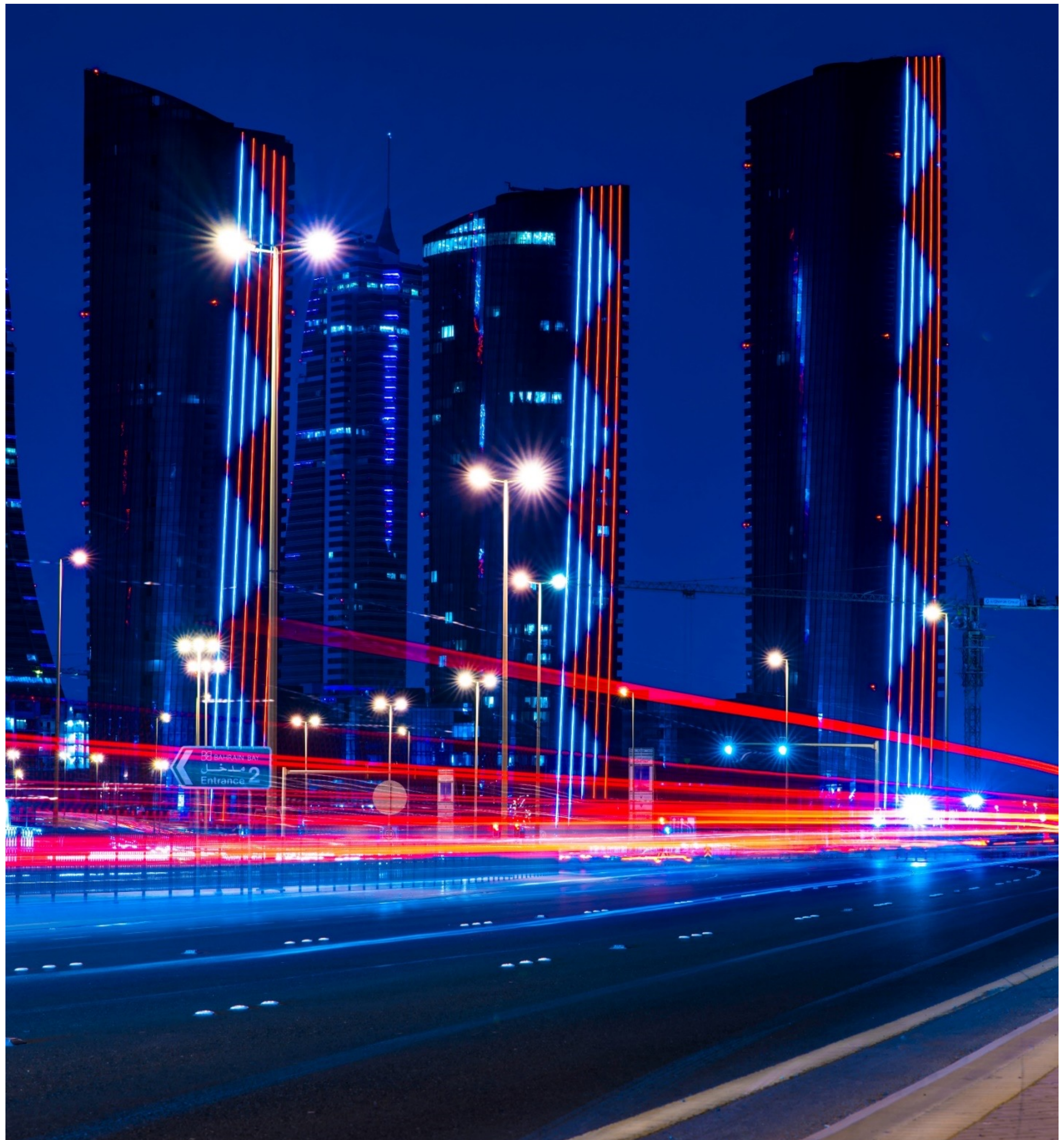
The Group has a revolving facility of AED 590 million to be utilised in form of cash withdrawals. The revolving facility carries interest at EIBOR plus a margin and will expire on 31 December 2023. As of 30 September 2021, the Group has not utilised balance from this revolving facility. This facility is unsecured.

Included in the interest-bearing loans and borrowings is an amount of AED 31.2 million of unamortised transaction cost (2020: AED 38.4 million).

The Group has complied with all the applicable financial covenants at the reporting date.

(vi) Term loan 6

Term loan 6 relates to a subsidiary and represents borrowing with a local commercial bank. The facility amounting to AED 77.9 million was obtained to finance the acquisition of a plant. The facility carries interest rate of EIBOR plus a margin, payable in cash on a quarterly basis and is secured against the plant for which facility was obtained. The facility is repayable in 60 quarterly instalments with the last instalment due on 31 December 2031. During the year, total repayments of AED 6.7 million were made against this facility (2020: AED 2.7 million).



23. Islamic financing arrangement

	Effective interest rate %	2021 AED '000	2020 AED '000
Islamic financing arrangement (1)	LIBOR + margin	632,990	630,681
Islamic financing arrangement (2)	LIBOR + margin	308,422	-
		941,412	**630,681**

Islamic financing arrangement are allocated in the consolidated statement of financial position as follows:

	2021 AED '000	2020 AED '000
Current portion	8,418	-
Non-current portion	932,994	630,681
	941,412	**630,681**

Islamic financing arrangement (1)

During the year ended 31 December 2020, the Group secured a new Islamic facility of AED 641.3 million (US$ 174.6 million) from a syndicate of banks to finance the acquisition of a subsidiary. The facility carries profit rate of LIBOR plus a margin. The profit is payable in cash on a flexible basis as agreed with the Bank at every profit reset period. The facility is repayable with a 100% bullet payment in March 2025.

Islamic financing arrangement (2)

During the year 2021, the Group acquired an Islamic financing facility of AED 313.3 million as part of the business combination of a subsidiary (BDCI). The facility carries profit rate of LIBOR plus a margin, payable in cash on a quarterly basis and is secured against shares of a subsidiary pledged with the bank. The facility is repayable in semi-annual instalments with the last instalment due on 30 June 2034. During the year, total repayments of AED 5.1 million were made against this facility post acquisition.

Included in the Islamic financing arrangement is an amount of AED 8.3 million of unamortised transaction cost.

The Group has complied with all the applicable financial covenants at the reporting date.

24. Non-convertible Bonds and Sukuk

Non-convertible Sukuk

	2021 AED '000	2020 AED '000
	1,831,186	1,829,987

In 2018, the Group issued a 7 year investment grade Islamic Bonds (Sukuk) of US$ 500 million which is listed on the London Stock Exchange. The bond carries profit rate of 5.5% payable semi-annually. The Bonds are repayable on 31 October 2025. The proceeds of the Bonds were utilised to repay the portion of previous Term Loans and Islamic financing arrangement.

The Sukuk is stated net of discount and transaction costs incurred in connection with the Sukuk arrangements, amounting to AED 5.3 million, which are amortised to the consolidated statement of profit or loss over the repayment period of Sukuk using effective interest rate method.

Non-convertible Bonds

	2021 AED '000	2020 AED '000
	1,811,894	1,809,361

During the year 2020, the Group issued 7-year investment grade Bond of US$ 500 million which is listed on the London Stock Exchange. The Bonds carry coupon rate of 2.5% payable semi-annually. The Bonds are repayable on 31 October 2027. The proceeds of the Bonds were utilised to repay the previous Term Loan and to fund the future growth.

The Bonds are stated net of discount and transaction costs incurred in connection with the Bonds issuance, amounting to AED 24.6 million, which are amortised to the consolidated statement of profit or loss over the repayment period of the Bonds using effective interest rate method.

There are no covenants applied on non-convertible Bonds and Sukuk, as long as the Group maintains investment grade credit rating status.

25. Employees' end of service benefits

The Group provides for employees' end of service benefits in respect of its non-UAE employees in accordance with the employees' contracts of employment. The movement in the provision recognised in the consolidated statement of financial position is as follows:

	2021 AED '000	2020 AED '000
At 1 January	**36,486**	31,390
Charge for the year (Note 6.3)	**6,917**	6,356
Payments made during the year	**(2,112)**	(1,260)
At 31 December	**41,291**	36,486

26. Trade and other payables

	2021 AED '000	2020 AED '000
Non-current liabilities		
Relating to capital expenditure:		
Contractor payable and retentions	**10,069**	5,740
Others:		
Contract liabilities	**204,990**	110,987
	215,059	116,727
Current liabilities		
Relating to capital expenditure:		
Contractor payable and retentions	**16,773**	20,850
Accrued expenses	**91,892**	57,356
	108,665	78,206
Others:		
Trade payables	**54,165**	47,681
Due to related parties (Note 28)	**26,189**	35,618
Accrued expenses	**322,350**	209,477
Derivative financial instruments(i)	**14,262**	28,339
Contract liabilities	**79,006**	88,793
Deferred income	**21,775**	15,243
Dividend payable	**3,058**	3,058
VAT payable	**2,602**	8,933
Deposits	**92,984**	53,889
Other payables	**43,721**	24,485
	660,112	515,516
	768,777	593,722

i) The Group has entered into interest rate swaps (IRS) for the interest-bearing loans denominated in AED and USD, which are designated as a hedging instrument (Note 31). During the year ended December 2021, the fair value movement of IRS amounting to AED 81.3 million was recorded in the consolidated statement of comprehensive income (2020: AED 17.0 million).

Terms and conditions of the financial liabilities:

Trade payables and other financial liabilities are non-interest bearing and are normally settled on 60-90 day terms.

Retentions payable are non-interest bearing and are normally settled in accordance with the terms of the contracts.

For terms and conditions relating to related parties, refer to note 28.

Movement in contract liabilities is as follows:

	2021 AED '000	2020 AED '000
Contract liabilities	**283,996**	199,780

Contract liabilities represent un-satisfied performance obligation related to connection fees.

During the year ended 31 December 2021, total addition of AED 94.8 million (2020: AED 31.6 million), including AED 22.4 million made through business combination to contract liabilities. The revenue recognised during the year is AED 10.6 million (2020: AED 10.3 million).

27. Business combination

27.1. Business District Cooling Investment LLC

On 25 October 2021, the Group acquired remaining 50% of the shares of Business District Cooling Investment LLC, from a joint venture partner and became 100% owner of this entity. The acquisition has been accounted for using step acquisition method in accordance with IFRS 3 Business Combinations.

The initial accounting is based on the management's best estimate of the fair value of the assets and liabilities acquired by the Group and will be finalised within the 12 months period. The finalisation of the purchase price allocation may result in a change in the fair value of assets and liabilities acquired, and accordingly a corresponding change in the goodwill. The purchase consideration and the fair value of the identifiable assets and liabilities of the acquired entity at the date of acquisition are as follows:

	2021 AED '000
Intangible assets: contracts (i) (Note 14)	1,122,316
Inventories	1,184
Trade and other receivables (ii)	25,286
Bank balances and cash	61,127
Derivatives	(71,263)
Trade and other payables	(103,174)
Interest bearing loans and borrowings (Note 22)	(339,437)
Islamic finance arrangements (Note 23)	(313,327)
Fair value of net assets acquired	382,712
Goodwill arising on acquisition (Note 14)	240,288
Purchase consideration	623,000
Fair value of existing 50% share holding	311,500
Less: carrying value of existing 50% investment (Note 13)	(24,855)
Less: reclassification adjustment for amounts recognized in profit or loss on derivative	(35,631)
Gain on fair valuation of existing shareholding	251,014
Cash consideration	311,500
Fair value of existing share holding	311,500
Purchase consideration	623,000

The gain resulted due to fair valuation of existing ownership of 50% of AED 251.0 million is recorded under 'other gains and losses' in the consolidated statement of profit or loss.

i) Includes customer contracts and concession right and are recorded at their fair value at the acquisition date. This represents the expected cash flows from Business District Cooling Investment LLC discounted at the target's Weighted Average Cost of Capital ("WACC"). The valuation technique adopted was multi-period excess earning method. The customer contracts and concession contract are amortised over their estimated remaining useful life.

ii) The fair value and the gross contractual amount for trade receivables acquired was AED 25.3 million, with no loss allowance recognised on acquisition.

Revenue and profit contribution:

The acquired business contributed revenues of AED 21.3 million and net profit of AED 2.1 million to the Group for the period from acquisition date to 31 December 2021.

If the acquisition had occurred on 1 January 2021, consolidated pro-forma revenue and profit for the year ended 31 December 2021 would have been AED 133.8 million and AED 22.1 million, respectively.

27.2. Saadiyat District Cooling and Saadiyat Cooling L.L.C

On 18 February 2021, the Group acquired 100% of the shares of Saadiyat Cooling L.L.C. and Saadiyat District Cooling L.L.C., cooling service providers in Saadiyat island in Abu Dhabi, from an Abu Dhabi based real estate developer. This acquisition has been accounted for in accordance with IFRS 3 Business Combinations.

The purchase consideration and the fair value of the identifiable assets and liabilities of the acquired entities at the date of acquisition are as follows:

	2021 AED '000
Purchase consideration	
Cash consideration	**961,762**
	961,762
Assets	
Land	**55,411**
Property, plant and equipment (i)	**210,240**
Capital work in progress (Note 8)	**17,463**
Intangible assets: customer contracts (ii) (Note 14)	**623,106**
Right-of-use assets	**45,660**
Trade and other receivables (iii)	**63,981**
Trade and other payables	**(54,099)**
Net assets acquired	**961,762**

i) Property, plant and equipment are recorded at their fair value at the acquisition date.

ii) Customer contracts are recorded at their fair value at the acquisition date. This represents the expected cash flows from Saadiyat District Cooling and Saadiyat Cooling L.L.C discounted at the target's Weighted Average Cost of Capital ("WACC"). The valuation technique adopted was multi-period excess earning method. The customer contracts are amortised over 50 years, which represent their estimated remaining useful life.

iii) The fair value and the gross contractual amount for trade receivables acquired was AED 64.0 million, with no loss allowance recognised on acquisition.

Revenue and profit contribution:

The acquired business contributed revenues of AED 80.2 million and net profit of AED 26.9 million to the Group for the period from 18 February 2021 to 31 December 2021.

If the acquisition had occurred on 1 January 2021, consolidated pro-forma revenue and profit for the year ended 31 December 2021 would have been AED 89.5 million and AED 30.6 million, respectively.

28. Related party transactions and balances

Related parties represent associated companies, joint ventures, directors and key management personnel of the Group, management entities engaged by the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Transactions with related party includes purchase and sale of chilled water and provision of management services. Transactions with related parties included in the consolidated statement of profit or loss are as follows:

	2021		2020	
	Revenue AED '000	Direct costs AED '000	Revenue AED '000	Direct costs AED '000
Associated companies	**11,245**	**62,256**	11,336	**62,128**
Joint Ventures	**4,975**	**-**	4,828	**-**
Non-Controlling interest	**321,092**	**-**	**206,004**	**-**

Balances with related parties included in the consolidated statement of financial position are as follows:

	2021	
	Trade receivables AED '000	Trade payables and advances AED '000
Associated companies	**9,666**	**26,189**
Non-controlling interest	**47,857**	**-**
	57,523	**26,189**

	2020	
	Trade receivables AED '000	Trade payables and advances AED '000
Associated companies	7,911	35,618
Joint ventures	1,666	-
Non-controlling interest	41,065	-
	50,642	35,618

During the year ended 31 December 2021, the Group has a management and technical services agreement with a shareholder amounting to AED 3 million 2020: AED 3 million).

Terms and conditions of transactions with related parties

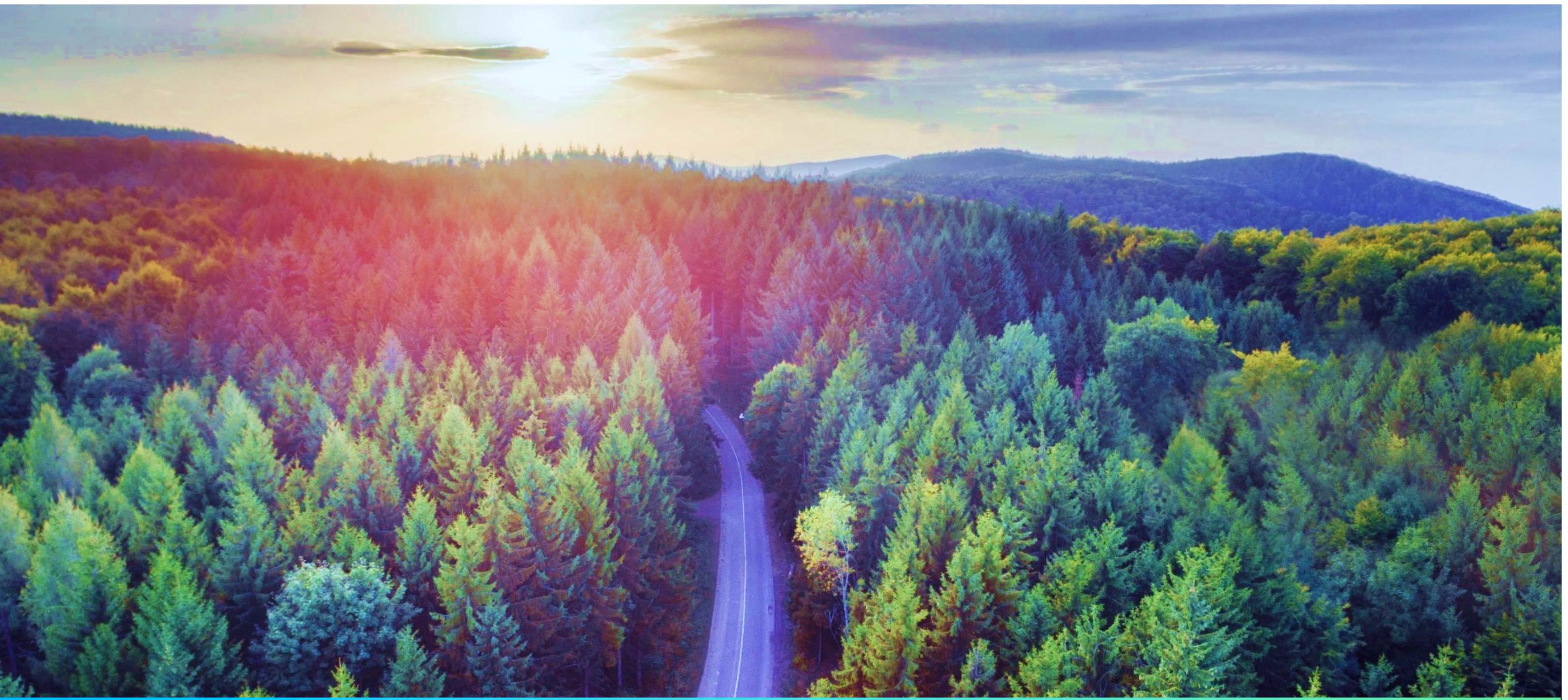
Transactions with related parties are made at agreed terms and conditions approved by management and are analysed as follows:

	Terms and conditions	2021 AED '000	2020 AED '000
Trade receivables	Interest free, unsecured, settled over agreed payment terms	**57,523**	50,642
Trade payables and advances	Interest free, unsecured, settled over normal credit period	**26,189**	35,618

Compensation of key management personnel

The remuneration of key management personnel during the year was as follows:

	2021 AED '000	2020 AED '000
Short-term benefits	**14,293**	11,836
Employees' end of service benefits	**173**	172
	14,466	12,008
Number of key management personnel	**5**	5



29. Contingent liabilities

Bank guarantees

The banks have issued guarantees on behalf of the Group as follows:

	2021 AED '000	2020 AED '000
Performance guarantees	**96,508**	96,991
Advance payment guarantees	**633**	633
Financial guarantees	**50**	50
	97,191	97,674

30. Commitments

Contractual commitments

The authorised contractual commitments as at 31 December 2021, contracted but not provided for amounted to AED 195 million (2020: AED 174 million). The Group's share of authorised future capital expenditure of associates at 31 December 2021 amounted to AED 25.4 million (2020: AED 22 million) and the Group's share of authorised future capital expenditure for joint ventures amounted to nil (2020: AED 63 million).

Operating lease commitments – lessor

The Group enters into cooling service agreements with its customers for the provision of chilled water. Some of these agreements qualify to be classified as a lease and have been accounted for as an operating lease as the Group does not transfer substantially all the risks and rewards of ownership of the asset to the customer.

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	2021 AED '000	2020 AED '000
Within one year	**77,101**	77,853
After one year but not more than five years	**308,406**	311,411
More than five years	**831,693**	962,548
	1,217,200	1,351,812

31. Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise interest bearing loans and borrowings, Islamic financing, lease liabilities, non-convertible bonds and Sukuk, trade payables and due to related parties. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as finance lease receivables, trade receivables, due from related parties and cash and bank balances, which arise directly from its operations.

The Group enters into derivative transactions to manage the interest rate risk arising from the Group's sources of finance. It is, and has been throughout 2021 and 2020 the Group's policy that no trading in derivatives shall be undertaken.

The Group is exposed to market risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

a) Market risk

Market price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise the following types of risk: interest rate risk and currency risk.

Financial instruments affected by market risk include loans and borrowings, Islamic financing arrangements, deposits, finance lease receivables, lease liabilities and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31 December 2021 and 2020.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of the hedge designations in place at 31 December 2021 and 2020.

The following assumptions have been made in calculating the sensitivity analyses:

- The consolidated statement of financial position sensitivity relates to derivatives instruments.
- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 December 2021 and 2020 including the effect of hedge accounting.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's cash flow exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations and deposits with floating interest rates.

To manage the cash flow risk relating to its variable interest borrowings, the Group enters into interest rate swaps, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon notional principal amount. These swaps are designated to hedge underlying debt obligations. At 31 December 2021, after taking into account the effect of interest rate swaps, approximately 98% of the Group's borrowings are at a fixed rate of interest (2020: 97%).

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Group's profit for one year (through the impact on term deposits and unhedged portion of loans and borrowings).

	Effect on profit AED '000
2021	
+100 basis point increase	(571)
-100 basis point decrease	571
2020	
+100 basis point increase	(1,948)
-100 basis point decrease	1,948

c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The majority of the transactions and balances are in either UAE Dirham or US Dollar or currencies that are pegged to US Dollar. As the UAE Dirham is pegged to the US Dollar, balances in US Dollar are not considered to represent significant foreign currency risk.

d) Credit risk

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. The maximum exposure relating to trade receivables, contract assets and finance lease receivables is the carrying amount as disclosed in notes 18 and 15. The Group's three largest customers accounted for 45% of outstanding trade and related party receivable balances at 31 December 2021 (2020: 3 customers, including a related party, account for approximately 55%). Amounts due in respect of finance lease receivables are from three customers (2020: three customers).

The Group applies IFRS 9 simplified approach to measure expected credit losses which uses a expected loss allowance for all trade receivables, contract assets and finance lease receivables.

To measure the expected credit losses, trade receivables, contract assets and finance lease receivables have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

With respect to credit risk arising from other financial assets of the Group, which comprise cash and bank balances and certain derivative instruments, the Group's exposure to credit risk arises from default of the counterparty, maximum is equal to the carrying amount of these instruments. The Group seeks to limit its credit risk to banks by only dealing with reputable banks, and independently rated parties with a minimum of investment grade ratings are accepted.

For finance lease receivables, the Group uses simplified approach, requiring lifetime ECL recognition at all times. ECL provision is based on the Group's historical information adjusted for future expectations using macro-economic indicators. The finance lease receivables are concentrated with a few parties which are owned by Government of UAE and thus carries very low credit risk leading towards immaterial provision allowance.

e) Liquidity risk

The Group monitors its risk to a shortage of funds using a cash flow model. This tool considers the maturity of its financial assets (trade receivables, finance lease receivables and other financial assets) and projected cash outflows from operations and capital projects.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of term loans.

The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2021 based on undiscounted payments and current market interest rates.

	On demand AED'000	Less than 3 months AED'000	3 to 12 months AED'000	1 to 5 Years AED'000	>5 years AED'000	Total AED'000	Carrying Value AED'000
Interest bearing loans and borrowings	-	21,146	87,351	2,364,287	516,155	2,988,939	2,530,048
Islamic financing arrangements	-	2,730	32,590	782,071	302,413	1,119,804	941,412
Non-convertible Bonds and Sukuk	-	-	146,920	2,323,173	1,882,413	4,352,506	3,643,080
Lease liabilities	-	12,092	36,277	185,008	64,838	298,215	247,264
Trade and retention payables, due to related parties and other financial liabilities	-	206,243	342,008	10,069	-	558,320	558,320
At 31 December 2021	**-**	**242,211**	**645,146**	**5,664,608**	**2,765,819**	**9,317,784**	**7,920,124**
Interest bearing loans and borrowings	-	19,078	47,942	2,170,522	192,550	2,430,092	**2,156,407**
Islamic financing arrangements	-	3,109	9,493	676,189	-	688,791	**630,681**
Non-convertible Bonds and Sukuk	-	-	146,920	2,424,180	1,928,325	4,499,425	**3,639,348**
Lease liabilities	-	11,749	35,247	172,909	108,064	327,969	**264,400**
Trade and retention payables, due to related parties and other financial liabilities	-	173,855	193,300	5,740	-	372,895	**372,895**
At 31 December 2020	**-**	**207,791**	**432,902**	**5,449,540**	**2,228,939**	**8,319,172**	**7,063,731**

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	2021 AED '000	2020 AED '000
Expiring beyond one year (bank loans)	**590,000**	590,000

f) Capital management

The primary objective of the Group's capital management is to achieve strong credit metrics and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and adjusts it, in the light of changes in economic conditions. There are no regulatory imposed requirements on the level of share capital which the Group has not met.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, Islamic financing arrangement, non-convertible bonds and Sukuk and lease liabilities less cash and bank balances. Capital includes total equity excluding non-controlling interests less cumulative changes in fair value of derivatives.

	2021 AED '000	2020 AED '000
Interest bearing loans and borrowings	**2,530,048**	2,156,407
Islamic financing arrangement	**941,412**	630,681
Non-convertible Bonds and Sukuk	**3,643,080**	3,639,348
Lease liabilities	**247,264**	264,400
	7,361,804	6,690,836
Less: cash and bank balances	**(1,197,273)**	(1,312,894)
Net debt	**6,164,531**	5,377,942
Equity attributable to equity holders of the parent	**5,746,145**	5,164,835
Adjustment for cumulative changes in fair values of derivatives	**(53,970)**	94,078
Total capital	**5,692,175**	5,258,913
Capital and net debt	**11,856,706**	10,636,855
Gearing ratio	**52%**	51%

32. Financial instruments and fair value measurement

32.1. Financial instruments

The accounting policies for financial instruments have been applied to the line items below:

	2021 AED '000	2020 AED '000
Derivative financial instruments	**14,262**	**28,339**
Trade and other receivables	**558,459**	**778,697**
Finance lease receivables	**3,012,278**	**3,108,650**
Cash and bank balances	**1,197,273**	**1,312,894**
Financial assets measured at amortised cost	**4,768,010**	**5,200,241**
Trade and other payables	**107,196**	**109,889**
Interest bearing loans and borrowings	**2,530,048**	**2,156,407**
Islamic financing arrangement	**941,412**	**630,681**
Non-convertible Bonds and Sukuk	**3,643,080**	**3,639,348**
Lease liabilities	**247,264**	**264,400**
Financial liabilities measured at amortised cost	**7,469,000**	**6,800,725**

For the purpose of the financial instrument's disclosure, non-financial assets and non-financial liabilities have been excluded from 'trade and other receivables' and 'trade and other payables', respectively.

Fair values of financial instruments

The fair values of the Group's financial assets and liabilities are not materially different from their carrying values at the reporting date except for finance lease receivables, non-convertible bonds and Sukuk and lease liabilities. Set out below is a comparison of carrying amounts and fair values of such instruments:

	Carrying Amount		Fair Value	
	2021 AED '000	2020 AED '000	2021 AED '000	2020 AED '000
Liabilities measured at fair value				
Interest rate swaps	**14,262**	28,339	**14,262**	28,339
Financial assets				
Finance lease receivables	**3,012,278**	3,108,650	**3,897,725**	3,949,472
Financial liabilities				
Interest bearing loans and borrowings	**2,530,048**	2,156,407	**2,499,958**	2,191,499
Islamic financing arrangement	**941,412**	630,681	**907,887**	637,162
Non-convertible bonds and Sukuk	**3,643,080**	3,639,348	**3,891,176**	3,999,860
Lease liabilities	**247,264**	264,400	**269,774**	298,214

32.2. Fair value hierarchy

As at 31 December 2021 and 2020, the fair value measurement hierarchy of the Group's assets and liabilities is as follows:

	2021				2020			
	31 December 2021	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	31 December 2020	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000
Liabilities measured at fair value								
Interest rate swaps	14,262	-	14,262	-	28,339	-	28,339	-
Assets for which fair values are disclosed								
Finance lease receivables	3,897,725	-	-	3,897,725	3,949,472	-	-	3,949,472
Liabilities for which fair values are disclosed								
Interest bearing loans and borrowings	2,499,958	-	-	2,499,958	2,191,499	-	-	2,191,499
Islamic financing arrangement	907,887	-	-	907,887	637,162	-	-	637,162
Non-convertible bonds and Sukuk	3,891,176	3,891,176	-	-	3,999,860	3,999,860	-	-
Lease liabilities	269,774	-	-	269,774	298,214	-	-	298,214
	7,568,795	3,891,176	-	3,677,619	7,126,735	3,999,860	-	3,126,875

During the reporting years ended 31 December 2021, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values for assets and liabilities measured at fair value:

The Group enters into derivative financial instruments with various banks and financial institutions with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are interest rate swaps. The most frequently applied valuation techniques include swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, interest rate curves and forward rate curves of the underlying commodity.

32.3. Hedging activities

Cash flow hedges

The Group is exposed to variability in future interest cash flows on interest bearing loans and borrowings which bear interest at a variable rate.

In order to reduce its exposure to interest rate fluctuations on the interest bearing loans and borrowings the Group has entered into interest rate swaps with counter-party banks designated as effective cash flow hedges for notional amounts that mirror the drawdown and repayment schedule of the loans. The notional amount of the interest rate swaps was AED 3,348 billion as at 31 December 2021 (2020: AED 2,574 billion).

The schedule indicating the maturity profile of the derivative related assets and liabilities as at 31 December is as follows:

	Within 1 year AED '000	1-3 years AED '000	Total AED '000
2021			
Cash inflows (assets)	**18,426**	**95,245**	**113,671**
Cash outflows (liabilities)	**(34,207)**	**(62,299)**	**(96,506)**
Net cash outflows	**(15,781)**	**32,946**	**17,165**

	Within 1 year AED '000	1-3 years AED '000	Total AED '000
2020			
Cash inflows (assets)	5,442	20,440	25,882
Cash outflows (liabilities)	(16,987)	(31,722)	(48,709)
Net cash outflows	(11,545)	(11,282)	(22,827)

All derivative contracts are with counterparty banks in UAE.

7 Corporate Governance Report

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This Corporate Governance Report is Approved By:

Khaled Abdulla Al Qubaisi
Chairman of the Board

Khalid Al Marzooqi
Chief Executive Officer

Mohammed Al Huraimel Al Shamsi
Chairman of the Audit Committee

H.E. Dr Ahmad bin Abdullah Humaid Belhoul Al Falasi
Chairman of the Nomination and Remuneration Committee

Mousa Sajwani
Internal Control & Risk

Preface

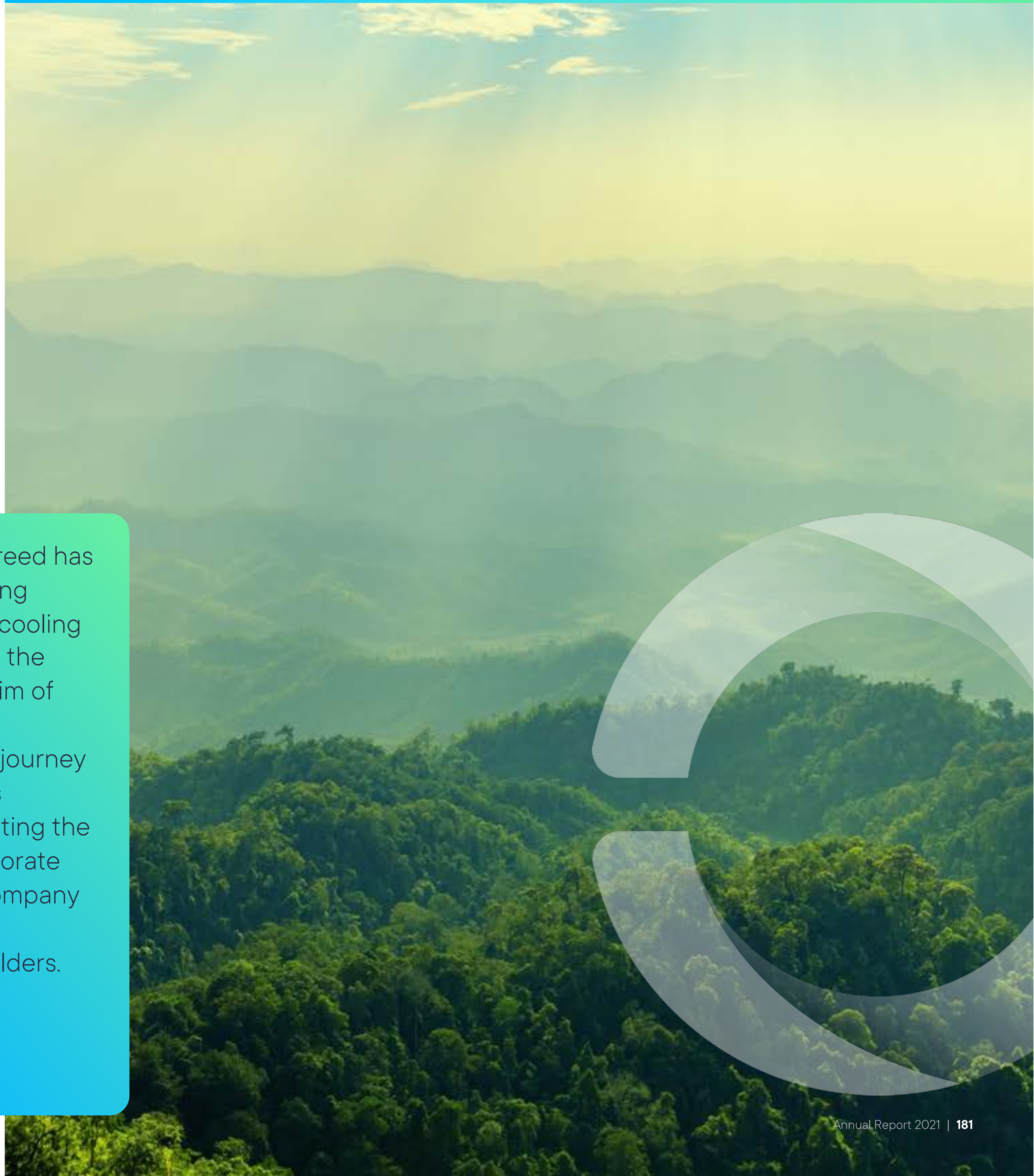
Corporate governance is the system of rules, practices and processes used to direct and manage a company.

The following report is governed by the Securities and Commodities Authority ("**SCA**") Chairman's Board of Directors' Decision No. 3 of 2020 as amended from time to time on the Joint Stock Companies Governance Guide ("**Decision 3/2020**") and the format of this report is prescribed by the SCA. This report outlines the compliance of National Central Cooling Company PJSC (the "**Company**" or "**Tabreed**") with Decision 3/2020, and the Company's overall integral governance structure in the period from 1 January 2021 to 31 December 2021.

In addition to the above, to ensure compliance with the external rules, Tabreed has adopted, to list a few without limitation, a number of internal policies and procedures to emphasize the enforcement and application of the corporate governance by the Board and Tabreed's employees:

- Code of Conduct
- Related Party Transaction Policy
- Tabreed Market Conduct and Securities Trading Policy
- Internal Control Policy
- Human Rights Policy (pending final form and Board approval)
- Diversity, Equity and Inclusion Policy

Incorporated in 1998, Tabreed has **24 years** of industry leading experience in the district cooling sector, with offices across the GCC and India, with the aim of exploring entry into other countries. Throughout its journey Tabreed has enhanced its commitment to implementing the highest standards of corporate governance within the Company to **enhance value** for its shareholders and stakeholders.



1. Compliance with Regulations

Tabreed's corporate governance system is well developed, adopts local and international best practice and meets all relevant requirements of UAE legislation on corporate governance, including the Commercial Companies Law No. 2 of 2015 (as amended) and Decision 3/2020. Decision 3/2020 applies to Tabreed's listing on the Dubai Financial Market ("**DFM**"). The SCA supervises, controls and verifies Tabreed's compliance with Decision 3/2020.

2. Corporate Governance Structure

The General Assembly Meeting is the highest decision-making body in the Company and is the forum in which shareholders exercise their right to decide on the Company's direction. The Annual General Assembly Meeting ("**AGA**") is convened once a year to carry out tasks such as adopting the Board of Directors' report and the annual and consolidated accounts, discharging the members of the Board of Directors and the auditors from liability and deciding how the profit of the past financial year is to be allocated.

The shareholders are the ultimate decision-makers in respect of the direction of the Company as the shareholders are responsible for appointing the Board of Directors at the AGA of the Company, each such appointment being for a term of three years. The shareholders present at the AGA also elect the auditors who in turn report on their scrutiny to the AGA.

The following sections summarize how the Company has applied the principles of Decision 3/2020 and its compliance with these principles.

Board of Directors (Art. 6, Decision 3/2020)

The appointment, roles and responsibilities of the Board of Directors of Tabreed (the "**Board**" or "**Board of Directors**") are outlined in Tabreed's Articles of Association ("**AoA**").

Upon implementation of the membership balance criteria set down by Decision 3/2020 in relation to executive, non-executive and independent members of the Board, we confirm that compliance was maintained by Tabreed in relation to all criteria including those requirements for the independence of the Board members save that the Chairman is no longer considered under Decision 3/2020 as independent by virtue of being re-elected on more than four occasions by the shareholders of Tabreed. In addition, to the Chairman, the current Board of Tabreed comprises eight independent directors out of the total of nine Board members. The Board has at all times maintained an appropriate level of skills, experience and capabilities across the membership.

Chairman of the Board (Art. 7 and 15, Decision 3/2020)

In 2021, Khaled Abdulla Al Qubaisi presided as the Chairman of the Board (the "**Chairman**"). The Chairman of Tabreed's Board is a non-executive director with extensive and prominent experience in the finance and energy sectors both regionally and internationally. Throughout the year, the Chairman ensured that the Board participated effectively at Board meetings and that each member of the Board acted in the best interest of Tabreed and its shareholders. The Chairman developed the structure of, and agenda for, meetings of the Board, overseeing communication between Board members and shareholders, and encouraged constructive relations between the Board members.

Members of the Board (Art. 9, 10, 13 - 19, Decision 3/2020)

The members of the Board have a diverse set of skills and experience. Each member's duty is to act in the best interests of Tabreed and its shareholders. Each member of the Board ensures that Tabreed's management maintains systems and processes to ensure adherence to laws, regulations and Tabreed's operational requirements.

The Board ensures that Tabreed's management provides them with sufficient information, in a timely manner, to make informed decisions that affect the direction of the Company.

The Board members participate in Board meetings, giving independent opinions on strategic issues, policy, accounting, resources and principles of required behaviour. The Board tracks the Company's performance against strategic objectives.

Each year, all Board members disclose to Tabreed an assessment of their independence, potential conflicts of interest, confirmation of confidentiality, details of any share trading and details of their significant positions in public companies or other institutions.

Remuneration of the Chairman and the Board Members (Art. 29, Decision 3/2020)

The Chairman and the Board members are entitled to be remunerated by a percentage of up to a maximum of 10% of the net profits of the Company in respect of each fiscal year, subject to the approval by the shareholders at the Company's AGA and subject to setting aside a statutory reserve of 10% of the net profits of the Company.

Board Committees (Art. 53 and 58 Decision 3/2020)

The Board is empowered to establish Board committees and to delegate powers to such committees as necessary or appropriate. The Board delegates certain functions to well-structured committees but without abdicating its own responsibilities.

Board committees are an effective way to distribute work between Board members and allow for more detailed consideration of specific matters. All the Board committees are functioning on behalf of the Board and the Board will be responsible for constituting, assigning, co-opting and fixing terms of service for Board committee members.

Tabreed's Board has constituted four committees and implemented charters that define the obligations, duration and authority of each committee and these committees are regularly monitored by the Board regarding their performance and commitment. These committees are:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Finance Committee; and
4. Projects Committee.

The Audit Committee and the Nomination and Remuneration Committee are mandated by Decision 3/2020. The Finance Committee and the Projects Committee have been established by the Board of Directors as additional committees to facilitate the business requirements of the Company.

Nomination and Remuneration Committee (Art. 59, Decision 3/2020)

The Nomination and Remuneration Committee assists the Board in discharging its responsibilities in relation to qualifications, compensation, appointment and succession of the Company's directors and key management personnel.

The Committee oversees the Company's nomination process for the Board of Directors and continuously monitors the independence of the independent members of the Board (*see Section 7 for further detail on the Nomination and Remuneration Committee*).

Audit Committee (Art. 60, 61 and 62, Decision 3/2020)

The Board maintains an Audit Committee that monitors financial statements, reviews and recommends changes to Tabreed's financial and control systems, and appoints and maintains an appropriate relationship with the Company's external auditors.

The Audit Committee also oversees the Internal Control function and is responsible for approving recommendations for internal control improvements (*see Section 6 for further detail on the Audit Committee*).

Finance Committee

The role of the Finance Committee is to assist the Board in monitoring and reviewing:

a) the economics and financial returns of investments and commitments;

b) debt and equity financing transactions; and

c) financial risk management programs of the Company (*see Section 8(a) for further detail on the Finance Committee*).

Projects Committee

The role of the Projects Committee is to assist the Board and management in the successful tendering and execution of projects, management of project related contracts, procurement processes, health/safety and the environment, or any other matter that may be critical for the efficient, safe and reliable operation of the Company's projects and existing assets (*see Section 8(b) for further detail on the Projects Committee*).

Internal Control (Art. 66 and 67, Decision 3/2020)

Tabreed's Internal Control function is maintained by the Board with certain responsibilities delegated to the Audit Committee. The Board provides independent, objective and authoritative advice as well as assurance over the Internal Control environment to the Board, Audit Committee and management, to assist them in discharging their functions and duties conferred and imposed on them.

The Board ensures that the internal controls are effective by reviewing the work of the Audit Committee, effectively dealing with risk and control issues at Board meetings and requiring that risk and internal control issues are discussed at each Board meeting. The Board also ensures that an internal control review is conducted by the Internal Control function each year (*See Section 10 for further detail on the Internal Control function*).

External Auditor (Art. 70, Decision 3/2020)

On the recommendation of the Audit Committee, the Board appointed PricewaterhouseCoopers ("**PwC**") as Tabreed's external auditor at the 2020 AGA held on 21 March 2021. The Board ensures that the external auditor remains independent from the Company. The external auditor has broad powers to provide reports to the General Assembly Meeting and to regulatory bodies (see Section 5 for further detail on the External Auditor).

Delegation to Management (Art.14, Decision 3/2020)

The Board provides guidance and direction to Tabreed's management towards achieving the strategic objectives of Tabreed.

The Board is responsible for the direction and oversight of the Company on behalf of the shareholders. The day-to-day activities of Tabreed are delegated to management through the Board approved Delegation of Authority as amended and approved by the Board on 11 November 2020. The Delegation of Authority will be valid for a duration of 3 years and subject to regular review and amendment (if required) by the Board and the Audit Committee.

The Delegation of Authority delegates authority from the Board to executive management to execute certain:

- Contractual or other commitments;
- Expenditure, purchases; and
- Investments,

in each case below a specified maximum limit amount (in AED), beyond which approval of the Board is required. To give effect to the Delegation of Authority, the Board has granted a general Power of Attorney to the Chief Executive Officer, subject to the abovementioned maximum limit amount and which shall remain in force for the same duration of the Delegation of Authority. Other than the above Delegation of Authority there are no other standing delegations of authority from the Board of Directors to the management of the Company. All other powers, authorities and responsibilities in respect of the management of the Company are vested in the Board in accordance with the AoA, subject to those matters reserved under such AoA and/or applicable laws and regulations for the exclusive decision by the shareholders of the Company at the General Assembly of the Company.

The Board also provides guidance and direction to management through the following mandates that are regularly reviewed by the Board:

- The five-year strategic plan;
- Tabreed's policies;
- The annual budget;
- Key performance indicators; and
- Regular reporting against performance targets.

Shareholders' Rights (Art. 48, 49, 50 and 51, Decision 3/2020)

The Board is committed to maintaining the highest standards in relation to recognition of shareholders' rights. This commitment is outlined in the Charter of the Board of Directors. To that end, Tabreed maintains an appropriately resourced shareholder communications function and has engaged the DFM and First Abu Dhabi Bank ("**FAB**") to assist with engagement of shareholders.

The purpose of each of the investor relations and shareholder communications functions as well as FAB's and the DFM's role is to ensure that shareholders receive all required financial reports and relevant information, that shareholders are notified of and attend General Assembly meetings, and that dividend payments, when approved, are provided to each shareholder on a timely basis.

The AoA sets out the shareholders' rights to information, voting, participation at meetings and information on candidates for Board positions.

Code of Conduct (Art. 52, Decision 3/2020)

The manner in which the Company expects the Board, its employees, the auditors and the persons to whom specific duties are assigned to behave with respect to each other, the law, customers, suppliers, stakeholders and the community is articulated in the Tabreed Code of Conduct.

3. Board Member Transactions

The Company's Market Conduct and Trading Policy has rules governing the dealings by the Board members and their close family in Tabreed's securities. A fundamental restriction in place is that no Board member or Tabreed employee is allowed to trade in Tabreed securities during a blackout period. Blackouts occur over the periods when sensitive information is being developed or considered. The table below outlines the Board members' (and their immediate relatives') shareholdings and share transactions during 2021:

Name	Position	Total shares held as of 31/12/2021	Total shares bought	Total shares sold
Khaled Abdulla Al Qubaisi	Chairman	659,333	0	0
Saeed Ali Khalfan Al Dhaheri	Board Member	5,547,771	0	0
Ahmed Ali Khalfan Al Dhaheri	Family Member	4,681,267.39	4,681,267.39	0
Paulo Almirante	Vice-Chairman	0	0	0
H.E. Dr Ahmad Belhoul Al Falasi	Board Member	0	0	0
Mohammed Al Huraimel Al Shamsi	Board Member	0	0	
Musabbeh Al Kaabi (Appointed at the GA on 21 March 2021)	Board Member	0	0	0
Mohamed Jameel Al Ramahi (Resigned on 21 March 2021)	Board Member	0	0	0
Sébastien Arbola (Resigned from the Board on 12 July 2021)	Board Member	0	0	0
Pierre Cheyron (Appointed by the Board on 12 July 2021)	Board Member	0	0	0
Frédéric Claux	Board Member	0	0	0
Frédérique Dufresnoy (Resigned from the Board on 12 July 2021)	Board Member	0	0	0
Anne-Laure de Chammard (Appointed on 12 July 2021)	Board Member	0	0	0

4. Formation of The Board

4(a) Board Composition

The following table outlines details of each Board member holding office during 2021 in terms of independence, executive position and term of office.

Name	Position	Year of Appointment	Executive	Independent
Khaled Abdulla Al Qubaisi	Chairman	2009	✗	✗
Paulo Almirante	Vice Chairman	2017	✗	✓
H.E. Dr Ahmad Belhoul Al Falasi	Member	2017	✗	✓
Mohammed Al Huraimel Al Shamsi i	Member	2014	✗	✓
Mohamed Jameel Al Ramahi	Member	From 2017 to 2021	✗	✓
Dr. Musabbeh Al Kaabi	Member	2021	✗	✓
Sébastien Arbola	Member	From 2017 to 2021	✗	✓
Pierre Cheyron	Member	2021	✗	✓
Frédéric Claux	Member	2017	✗	✓
Frédérique Dufresnoy	Member	From 2017 to 2021	✗	✓
Anne-Laure de Chammard	Member	2021	✗	✓
Saeed Ali Khalfan Al Dhaheri	Member	2017	✗	✓

Tabreed has one female member on its Board of Directors. Frédérique Dufresnoy served on the Board until 12 July 2021 and was subsequently succeeded by Anne-Laure de Chammard to complete the term of her predecessor, subject to ratification at the next Annual General Assembly meeting to be held in March 2022. In the most recent Board election process carried out in March 2020, candidates were publicly invited to nominate themselves for election. Although other nominations were received from female candidates no female candidates, other than Frédérique Dufresnoy, were elected by the shareholders pursuant to the secret, cumulative ballot of the General Assembly. The next Board election is scheduled to take place at the General Assembly to be held in 2023.

4(b) Elections and Terms of Office

The General Meeting has the competence to elect and remove the members of the Board. In accordance with the AoA, the term of each Board member is three years. The Board members are elected by secret ballot. The Board of Directors elects the members of each of the Board committees and designates its Chairman.

On 12 July 2021 two Board Members resigned from the Board leaving vacant positions which filled on the same day:

Departing members:

- Sébastien Arbola resigned on 12 July 2021; and
- Frédérique Dufresnoy resigned on 12 July 2021.

Appointed members:

- Pierre Cheyron appointed on 12 July 2021; and
- Anne-Laure de Chammard appointed on 12 July 2021.

As per the Commercial Companies Law and Decision 3/2020 when a Board member resigns from his/her position, the Board of Directors appoints a member for the vacant position and such appointment shall be presented to the next General Assembly to approve such appointment or appoint another person. Accordingly, the appointment of Pierre Cheyron and Anne-Laure de Chammard will be put before the General Assembly at its next meeting to be formally ratified.

4(c) CVs and other PJSC Board Memberships

Khaled Abdulla Al Qubaisi

Chairman

Non-Executive, Non-Independent

Khaled Al Qubaisi is the Chief Executive Officer of Real Estate and Infrastructure Investments at Mubadala, overseeing a portfolio of both physical and digital assets around the globe, which includes properties, real estate, and the consolidation of our international infrastructure that offer long-term stable returns across business cycles.

Before joining Mubadala, Mr Al Qubaisi was the Chief Investment Officer at International Capital and was the Head of Corporate Finance and Business Development at the National Bank of Abu Dhabi, where he focused on developing the bank's investment banking capabilities.

He is the Chairman of Finance House PJSC, Vice Chairman of Abu Dhabi Motor Sports Management and is also a board member of Abu Dhabi Future Energy Company (Masdar), Emirates Integrated Telecommunications Company (du), Abu Dhabi Global Market (ADGM), Emirates Nuclear Energy Corporation and Insurance House.

He holds a Master of Project Management (MSPM) degree from George Washington University, and a Bachelor's degree in finance and operations management from Boston University.

Paulo Almirante

Vice Chairman

Non-Executive, Independent

Paulo Almirante is currently Senior Executive Vice President in charge of the Global Business Unit Renewables, Global Energy Management and Nuclear Production activities, and is a member of ENGIE's Executive Committee.

He is a board member of several ENGIE group companies. He holds a Master of Science degree in Mechanical Engineering Production Management and a Master's degree in Mechanical Engineering Thermodynamics from the Instituto Superior Técnico in Lisbon, Portugal.

H.E. Dr Ahmad Bin Abdullah Humaid Belhoul Al Falasi

Board Member
Non-Executive, Independent

His Excellency Dr. Ahmad Belhoul Al Falasi is the Minister of State for Entrepreneurship and SMEs. Under this role, H.E. Dr. Al Falasi is at the fore of designing national initiatives to strengthen the UAE's small and medium enterprise (SME) sector, one of the engines of the national economy, and promote entrepreneurship in various industries.

H.E. is also tasked to set a strategic direction and develop a general national policy for the country's tourism sector. His Excellency previously held positions as CEO of Masdar, Executive Director of Strategy and Tourism Sector Development at Dubai's Department of Tourism and Commerce Marketing, VP at Mubadala and an executive at McKinsey & Company.

His Excellency holds a Ph.D. from Sir John Monash University in Australia, a Master of Science from the University of Melbourne and a Bachelor's degree in Telecommunications Engineering from Khalifa University, UAE.

Mohammed Al Huraimel Al Shamsi

Board Member
Non-Executive, Independent

Mohammed Al Huraimel Al Shamsi is Director of Utilities Investments in Mubadala, where he is responsible for the asset management function of Mubadala's Utilities portfolio, which includes thermal power, water, and district cooling assets.

Prior to Mubadala, he was the director of Strategy and Policy at the UAE Prime Minister's Office. He has also held roles at McKinsey & Company, Dubai International Capital, and General Motors.

He has an MBA from the HEC School of Management – Paris and a Bachelor's degree in Finance from the American University of Sharjah, UAE.

Musabbeh Al Kaabi

Board Member
Non-Executive, Independent

Musabbeh Al Kaabi is the Chief Executive Officer of the UAE Investments Platform and an Investment Committee Member at Mubadala Investment Company. The UAE Investments Platform is a portfolio that supports the UAE's continued acceleration and transformation by building national champions, fostering vibrant industrial and commercial clusters, and engaging with world-class partners.

He previously held the position of CEO of Mubadala Petroleum, Mubadala's wholly owned exploration and production company, from 2014 to 2017. Musabbeh Al Kaabi is currently the Chairman of Mubadala Petroleum and Al Yahsat. He is the Vice Chairman of Masdar, Cleveland Clinic Abu Dhabi and Mubadala Health.

Musabbeh is also a Board member of the UAE International Investors Council, Cepsa, and Dolphin Energy.

Musabbeh Al Kaabi holds a Bachelor of Science degree in Geophysical Engineering from Colorado School of Mines and a Master of Sciences in Petroleum Geoscience from Imperial College, London.

Pierre Cheyron

Board Member
Non-Executive, Independent

Pierre CHEYRON is the Managing Director of Global Business Line Client Solutions and member of the operational executive committee of ENGIE, reporting to the COO of the group.

Until recently, Pierre was the CEO of ENGIE Southeast Asia, leading one of the fastest growing key business clusters in the Asia-Pacific organisation towards Zero-Carbon Transition by delivering integrated solutions to its customers.

Pierre joined ENGIE in 2011 as CEO of Cofely Southeast Asia, and then overseeing all Service activities of ENGIE in the Asia-Pacific region from 2015 to 2018. Prior to ENGIE, Pierre was with Alcatel-Lucent in various key management roles in Asia and Europe. He was appointed President of the Malaysian French Chamber of Commerce & Industry from 2011 to 2015 and is currently a member of the board with the French Chamber of Commerce in Singapore. Pierre holds an Engineering bachelor's degree.

Anne-Laure de Chammard

Board Member
Non-Executive, Independent

Anne-Laure de Chammard is the CEO of ENGIE Solutions International. Anne-Laure de Chammard started her career in the USA as a strategy consultant with the Boston Consulting Group (BCG).

She then served in the French Ministry of Sustainable Development and Energy from 2010, where she led major infrastructure public-private partnership projects (motorways, high-speed railways, offshore windfarms, hydroelectric dams, etc.). She joined the Bureau Veritas Group in 2014 as Regional Managing Director and was appointed Chairman and CEO of Bureau Veritas Construction in 2016. She joined ENGIE in 2019 as Group Chief Strategy, Research & Technology and Innovation Officer, and was promoted to Chief Executive Officer of Engie Solutions International later that year.

Anne-Laure de Chammard graduated from Ecole Polytechnique and Ecole Nationale des Ponts (Corps des Ponts) and holds a Master's degree in Public Policy from Harvard University (Kennedy School).

She also serves on the Board of several companies; she was nominated Young Global Leader of the World Economic Forum in 2021 and is ranked among the top 10 French economic leaders under 40 (Choiseul).

Frédéric Claux

Board Member
Non-Executive, Independent

Frédéric Claux is currently the Managing Director of Thermal & Supply for the AMEA region and the Country Manager for the GCC countries and Pakistan perimeter at ENGIE, with over 20 years of experience at the company.

He also serves as a board member of several power and water assets in the Middle East and of Tabreed.

He graduated from French civil engineering school École Nationale des Ponts et Chaussées and holds an MBA from HEC business school in Paris.

Saeed Ali Khalfan Al Dhaheri

Board Member
Non-Executive, Independent

Saeed Al Dhaheri is an executive Board member of Ali & Sons Holding LLC, where he serves on both the audit and the executive committees.

Moreover, Saeed Al Dhaheri is the Managing Director of Investments at Ali & Sons, overseeing investments in both Real Estate and public & private equities as well as Venture Capital. He is a non-executive director of National Central Cooling Company (Tabreed) and Peninsula Real Estate Management.

His past experience includes working as an analyst for Abu Dhabi Investment Authority and earning a bachelor's degree in Finance from the American University of Dubai.

All Board members confirm that the information provided herein, true and accurate.

We also confirm that no delegations or authorizations to any Board member or member of executive management were granted by the Board in respect of duties and functions of the Board of Directors during the year 2021.

4(d) Board Remuneration

The AGA may after setting aside 10% for the statutory reserve from the net profit of the Company, and the shareholder dividend of a maximum of 10% of the capital, approve a percentage of up to 10% of the net profits to remunerate the Board of Directors.

Remuneration paid to the Board members, in aggregate, in 2021 and recommended to be paid in 2022, are as follows:

Sitting Fees and Remuneration	AED
Remuneration for 2020 paid in 2021 after approval at last AGA	**7,125,000**
Board and Committees sitting fees for 2021 recommended for payment in 2022	**0**
Remuneration recommended for 2021 to be paid in 2022 after approval at next AGA	8,550,000

Other than the remuneration recommended for 2021 and referred to above, no other allowances, salaries or additional fees are to be paid to any Board member by Tabreed for 2021.

4(e) Board Meetings in 2021

The Board held 7 meetings in 2021 on the dates set out below:

- 17 January
- 14 February
- 6 May
- 15 June
- 12 July
- 29 July
- 11 November

The following table shows the attendance of each member, or proxy, for the period in which they were elected to the Board:

Meeting Number	Number of Attendees out of 9	Meeting Date in 2021	Absence or proxy attendance
1	8	17 January	Apology from Mohammed Al Shamsi
2	8	14 February	Proxy from the Chairman to Mohammed Al Shamsi
3	7	6 May	Proxy from Paulo Almirante to F. Dufresnoy Proxy from Sebastien Arbola to Frederic Claux
4	8	15 June	Apology from Frederique Dufresnoy
5	8	12 July	Proxy from the Paulo Almirante to Frederic Claux
6	9	29 July	No proxy attendance or absence
7	8	11 November	Apology from H.E Dr. Belhoul

Each absence and proxy referred to above was acknowledged and the reasons for absence were accepted by the Chairman and the Board at the relevant meetings.

Tabreed Board held four meetings through circular resolution during 2021 on the dates set out below:

- 18 March, approving the resignation of Mohamed Jameel Al Ramahi from the Board of Directors and appointing Musabbeh Al Kaabi as new member of the Board;
- 17 May, approving the resignation of Bader Saeed Al Lamki as Chief Executive Officer and appointing Khalid Al Marzooqi as the new CEO of Tabreed;
- 10 August, approving the un-audited accounts of the Company for the period ending 30 September 2021; and
- 9 December, approving matters pertaining the business and operations of the Company including the appointment of Antonio Di Cecca as Chief Operating Officer of Tabreed.

In November 2021, the Hawkamah Corporate Governance Institute delivered a board briefing to the Board of Directors on developments legally and in practice in UAE corporate governance. In December, the Board of Directors completed a board assessment questionnaire, with results to be presented back to the Board in the first quarter of 2022. Tabreed's ongoing collaboration with Hawkamah is an essential layer of support to the Board and the Board Secretary, ensuring that Tabreed remains up to date with the latest trends and practices amongst listed companies in the UAE and beyond.

4(f) Board Terms of Reference

In line with good practice and governance, the Board provides strategic direction to the management team. The Board provides this direction by working with management to establish:

1. The appointment of the Chief Executive Officer and key executives;
2. Tabreed policies - which outline the principles that the Board expect Tabreed to operate within;
3. Board approved Delegation of Authority setting out the levels of approvals required by the Board;
4. Board approved strategic plans – with the growth, revenue and profit targets required by the Board and a reporting mechanism to feedback results;
5. A strong risk management and internal control environment;
6. The integrity of financial reporting;
7. Proper disclosure and communication with shareholders; and
8. A highly qualified and experienced senior management team.

Each element noted above contributes towards a balanced and effective internal control mechanism over Tabreed's activities which are, in turn, capable of being effectively monitored by the Board.

4(g) Executive Management

The Tabreed Corporate Governance Procedures Manual and the Board approved Delegation of Authority clearly outline the role that the Board requires from Tabreed's management. Management's primary responsibilities cover the oversight of the day-to-day operations of Tabreed's business, strategic planning, budgeting, financial reporting and risk management.

The executive management consists of five Chief Officers. These positions together with other management positions, the incumbents, dates of appointment and remuneration received (or accrued) in 2021 (in AED) are outlined below and an organisational chart is attached at Annex 2 of this Report:

Position	Fulfilled By	Appointment	Salary & Allowances 2021 (AED)	2021 Bonus (AED)	Other Remuneration
Chief Executive Officer	Khalid Al Marzooqi	May 2021	1,702,997	-	-
Chief Executive Officer	Bader Al Lamki	2019 to May 2021	889,404	2,417,261	
Chief Financial Officer	Adel Al Wahedi	2020	2,176,272	667,032	-
Chief Legal Counsel	Hamish Jooste	2011	1,512,486	649,698	-
Chief Operating Officer	Jean-François Chartrain	2017	1,414,628	775,573	-
Chief Development Officer	François-Xavier Boul	2017	1,420,008	668,034	-
VP, Human Capital	Sarah Al Bakeri	2020	985,035	193,025	-
VP, Internal Control & Risk	Mousa Sajwani	2020	1,109,512	165,654	-
Managing Director - DDCP	Dr. Yousif Al Hammadi	2014	1,768,179	371,329	-
Country Manager India	Sudheer Perla	2017	602,340	83,421	-
VP, Strategic Communications	Souad Al Serkal	2018	1,128,762	261,519	-
VP, Supply Chain Management	Mohamed Habib	2019	1,182,312	212,010	-
SVP, Operations & Maintenance	Atef Al Breiki	2018	1,581,924	349,114	-
VP, HSEQ	Sabooh Asghar	2014	819,648	141,348	-
Managing Director, Tabreed Energy Services	Alastair Mulligan	2009	1,308,684	185,359	-
SVP, Regional Asset Management & Value Chain Business	Colin Sangster	2015	1,159,551	151,990	-
VP, Projects	Irshad Hussain	2004	821,151	155,392	-
SVP, Finance	Richard Rose	2014	1,290,884	390,789	-
VP, IT	Saeed Al Maeeni	2020	1,285,300	125,854	-
VP, Commercial & Regulatory Affairs	Hannah Al Bustani	2020	1,126,013	174,625	-
VP, Regional Business Development	Faisal Bhatti	2020	823,977	150,185	-
VP, Strategy and PMO	Mohammed Al Sele	Sept 2021	315,400	-	-
VP, UAE Business Development	Bakulesh Kanakia	2021	730,551	164,971	-

4(h) Related party transactions

Tabreed was not a party to any related party transactions during 2021 based on the definition of "Related Parties" set out in Decision 3/2020.

Tabreed entered into two transactions in 2021 which exceeded the value of 5% of the capital of the Company (however, no transactions were related party transactions):

- Acquisition of Al Wajeez – acquisition of an additional 50% stake in the exclusive 80,000 refrigeration ton district cooling scheme supplying Al Maryah Island in Abu Dhabi, including its major entertainment, hospitality, retail, commercial and residential developments. The acquisition was announced on 29 August 2021 and the stake was acquired from joint venture partner, Mubadala Infrastructure Partners (MIP), bringing Tabreed's ownership to 100% (acquisition value: AED 311.5m).
- Qatar Cool Divestment – sale of 44% shareholding in Qatar District Cooling Company QCSC to United Development Company on 16 August 2021 (sale value: AED 417m).

4(i) Organisational Chart

The Organisational Chart of Tabreed is attached as Annex 2 of this Report.

5. External Auditor

PwC were appointed as External Auditors for Tabreed at the Annual General Assembly on 21 March 2021 for a one-year term. Tabreed selected PwC as the successful applicant pursuant to a competitive tender process issued by Tabreed in 2018 in respect of the auditing services mandate. Three major audit firms participated in the competitive process.

PwC is one of the Big Four accounting and professional services firms. PwC is a global network of firms operating in 156 countries with more than 295,000 employees. The company offers business advisory services such as auditing, accounting, taxation, strategy management, and human resource consulting services. In 2021, PwC firms provided services to 84% of the Global Fortune 500 companies and more than 100,000 entrepreneurial and private businesses.

The scope of the audit for the 2021 financial year, as outlined in their engagement plan, was to:

1. Provide an audit opinion on the annual consolidated financial statements in accordance with International Financial Reporting Standards;
2. Provide an audit opinion on the financial statements of all subsidiaries and associates of Tabreed in accordance with International Financial Reporting Standards; and
3. Provide a review of quarterly interim condensed consolidated financial statements in accordance with International Accounting Standard (IAS) 34.

The following table outlines the audit annual and quarterly related fees for Tabreed group companies for 2021:

External Auditor	PwC
Number of Years as External Auditor	3
Total audit fees for 2021[1]	AED 1,004,120
Number of years the Partner of the External Auditor audited the Company	3
Fees for additional work in 2021	Nil
Nature of additional work	Nil
Audit fees for additional work done in 2021 by auditors other than those appointed by Tabreed	Nil
Name of partner auditor	Rami Sarhan (registered auditor number 1152)

Tabreed's external auditors did not make any qualified opinion for the interim and annual financial statements for 2021.

1 The external audit fees for 2021 were agreed initially to be AED 881,620 (as disclosed at the 2021 AGA). However, during the course of the year the scope of PwC has increased, due to the acquisition of three entities Al Wajeez and two plants in Saadiyat Island, accordingly, the audit fees has increased to be AED 1,004,120.

6. Audit Committee

The role of the Audit Committee is outlined in the Board approved Charter of the Audit Committee and includes:

- Providing advice to the Board on the contracting of an External Auditor and ensuring that the External Auditor fulfils its contractual and professional obligations;
- Reviewing and endorsing the quarterly and annual accounts after consideration of accounting policies and standards, assumptions and judgements, compliance with laws and any significant or unusual matters;
- Continually assessing the systems for internal control and risk management;
- Considering the findings of the Internal Auditor and making recommendations on those findings;
- Developing procedures which allow employees to raise matters of concern regarding internal control or financial reports; and
- Reporting to the Board on activities of the Audit Committee.

The following table outlines the membership of the Audit Committee during 2021:

Member	2021 Term	Role	Status
Mohamed Jameel Al Ramahi	From 1 Jan to 18 March	Chairman	Independent, Non-Executive
Mohammed Al Huraimel Al Shamsi	From 18 March to 31 Dec	Chairman	Independent, Non-Executive
Frédérique Dufresnoy	From 1 Jan to 12 July	Member	Independent, Non-Executive
Frédéric Claux	From 12 July to 31 Dec	Member	Independent, Non-Executive
Saeed Ali Khalfan Al Dhaheri	From 1 Jan to 31 Dec	Member	Independent, Non-Executive

Mohamed Jameel Al Ramahi, who was succeeded by Mohammed Al Huraimel Al Shamsi as Chairman of the Audit Committee during 2021, acknowledges responsibility for the Audit Committee system in Tabreed and the review of its working mechanisms to ensure its effectiveness.

The Audit Committee met 4 times, on the following dates, during 2021:

- 11 February;
- 5 May;
- 10 August; and
- 8 November.

The following table shows the attendance of each member for 2021:

Member	Meetings invited to attend in 2021	Attendance in person	Absence
Mohamed Jameel Al Ramahi	1	1	0
Mohammed Al Shamsi	3	3	0
Frédérique Dufresnoy	2	1	1
Fréderic Claux	2	1	1
Saeed Ali Khalfan Al Dhaheri	4	4	0

Note: Committee members did not receive any fees for attending the meetings that serve the committee of which they are members.

7. Nomination And Remuneration Committee

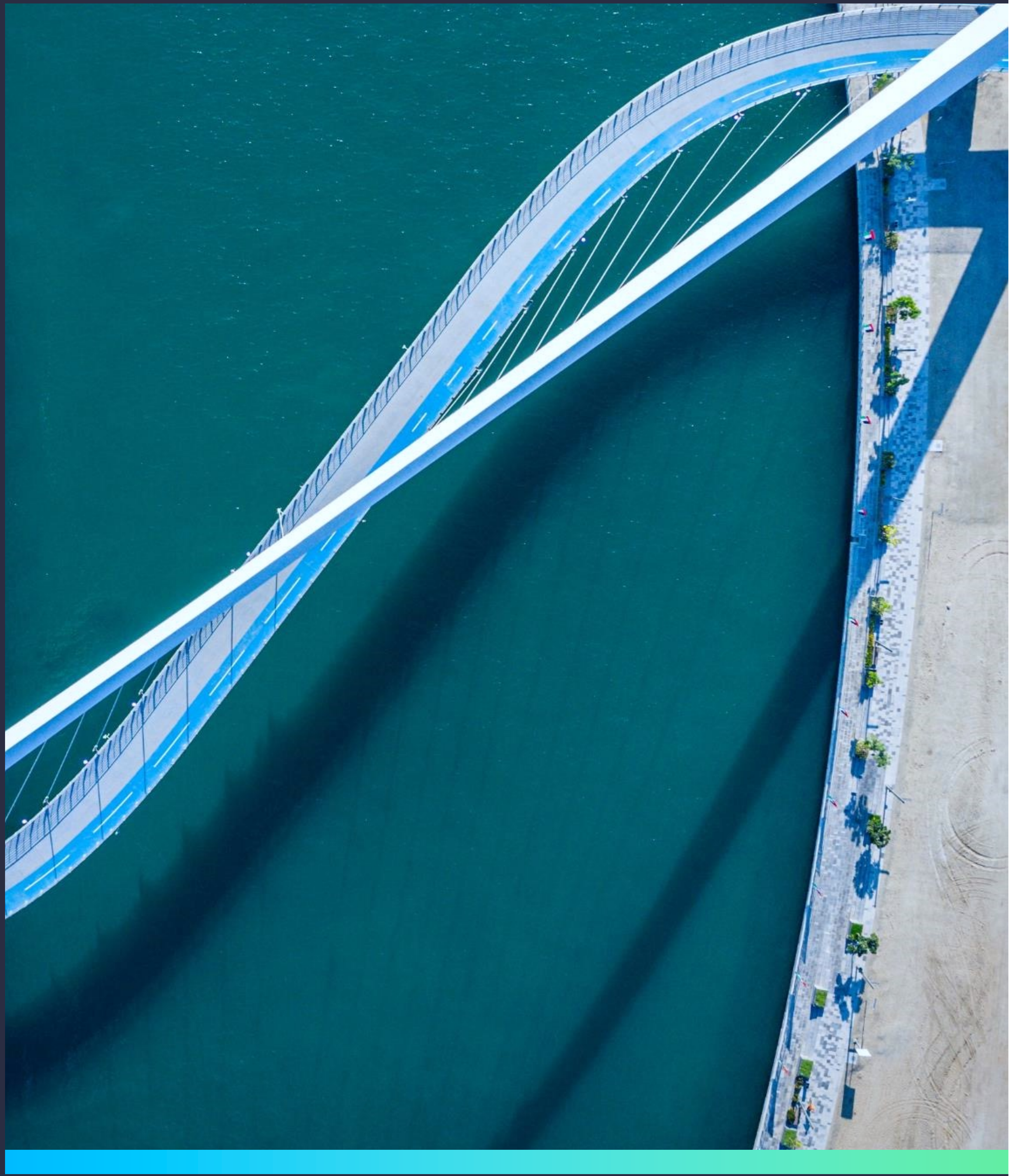
The role of the Nomination and Remuneration Committee ("**NRC**") is to assist the Board in the efficient management of compensation and general human resources management. The key responsibilities of the NRC are outlined in the Board-approved Charter of the NRC and include:

- Verifying the ongoing independence of the independent members of the Board;
- Regulating and overseeing nomination to the membership of the Board;
- Setting and reviewing Tabreed's human resources policies and procedures;
- Formulating and reviewing, on an annual basis, the framework and broad policy for granting remuneration, terms of employment and any changes, benefits, bonuses, pensions, allowances, gratuities, early retirement and redundancy made to or given to Tabreed's employees, senior management, as well as compensation for Tabreed's Chairman and Board of Directors;
- Ensuring that suitable succession plans are in place at senior executive levels; and
- Reviewing and approving the hiring and termination of senior management staff.

The following table outlines the membership of the NRC during 2021:

Member	2021 Term	Role	Status
H.E. Dr Ahmad Belhoul Al Falasi	From 1 Jan to 31 Dec	Chairman	Independent, Non-Executive
Mohammed Al Huraimel Al Shamsi	From 1 Jan to 18 Mar	Member	Independent, Non-Executive
Dr. Bakheet Al Katheeri	From 18 Mar to 31 Dec	Member	Independent, Non-Executive
Sébastien Arbola	From 1 Jan to 12 Jul	Member	Independent, Non-Executive
Anne-Laure de Chammard	From 12 July to 31 Dec	Member	Independent, Non-Executive

H.E. Dr Ahmad Belhoul Al Falasi, Chairman of the NRC Committee, acknowledges responsibility for the NRC Committee system in Tabreed and the review of its working mechanisms to ensure its effectiveness.



The NRC met 2 times, on the following dates during 2021:

- 11 February; and
- 25 November

The following table shows the attendance of each member for the period in which they were elected to the NRC:

Member	Meetings invited to attend in 2021	Attendance in person	Proxy attendance
H.E. Dr Ahmad Belhoul Al Falasi	2	2	-
Mohammed Al Huraimel Al Shamsi	1	1	-
Dr. Bakheet Al Katheeri	1	1	-
Sébastien Arbola	1	1	-
Anne-Laure de Chammard	1	1	-

Note: Committee members did not receive any fees for attending the meetings that serve the committee of which they are members.

8. Other Committees Approved by the Board

8(a) Finance Committee:

The duties of the Finance Committee are outlined below:

- review and endorse the Company's five-year business plans, annual budgets and capital plans, including providing input into performance targets for management;
- review and endorse all investments and commitments in excess of the authority delegated to the Chief Executive Officer;
- track and monitor company financial performance and financial health including providing input into performance reviews for the Company;
- review the financial funding plan of the Company to ensure its adequacy and soundness in providing for the Company's operational and capital requirements, and recommend to the Board, changes in capital structure as need be, including review of the Company's debt and equity structure;
- review and make recommendations concerning the Company's dividend policy;
- review proposed major financing activities;
- review the investment strategies for the Company's cash balances; and
- review, monitor and recommend action on financial risk management including hedging of currency, commodity price and interest rate risk.

The following table outlines the membership of the Finance Committee during 2021:

Member	2021 Term	Role	Status
Mohammed Al Huraimel Al Shamsi	From 1 Jan to 31 Dec	Chairman	Independent, Non-Executive
Frédéric Claux	From 1 Jan to 31 Dec	Member	Independent, Non-Executive
Saeed Ali Khalfan Al Dhaheri	From 1 Jan to 31 Dec	Member	Independent, Non-Executive

Mohammed Al Huraimel Al Shamsi, Chairman of the Finance Committee, acknowledges responsibility for the Finance Committee system in Tabreed and the review of its working mechanisms to ensure its effectiveness.

The Finance Committee met 9 times, on the following dates, during 2021:

- 14 January
- 8 February
- 29 April
- 7 June
- 26 July
- 4 August
- 4 November
- 8 November
- 30 November

The following table shows the attendance of each member for the period in which they were elected to the Finance Committee:

Member	Meetings invited to attend in 2021	Attendance in person	Proxy attendance
Mohammed Al Huraimel Al Shamsi	9	9	0
Frédéric Claux	9	9	0
Saeed Ali Khalfan Al Dhaheri	9	9	0
Mohammed Al Huraimel Al Shamsi	9	9	0

Note: Committee members did not receive any fees for attending the meetings that serve the committee of which they are members.

8(b) The Projects Committee:

The duties of the Projects Committee are outlined below:

- review Tabreed's HSE performance and make recommendations as appropriate;
- review policies and procedures related to projects and procurement;
- review project ideas and conceptual studies;
- review new cooling technologies and related feasibility studies scope, conclusion and recommendations; and
- review the major delivery aspects of all new projects, including scope of work, execution strategies, selection of bidders, key project management items, material contractual activities, changes in regulations or new regulations, policies, guidelines and other developments legal framework which could have a material impact on the Company's performance.

The following table outlines the membership of the Projects Committee during 2021:

Member	Meetings invited to attend in 2021	Attendance in person	Proxy attendance
Frédéric Claux	From 1 Jan to 12 Jul	Chairman	Independent, Non-Executive
Pierre Cheyron	From 12 Jul to 31 Dec	Chairman	Independent, Non-Executive
Mohammed Al Huraimel Al Shamsi	From 1 Jan to 6 May	Member	Independent, Non-Executive
Dr. Bakheet Al Katheeri	From 6 May to 31 Dec	Member	Independent, Non-Executive
Sébastien Arbola	From 1 Jan to 12 July	Member	Independent, Non-Executive
Antonio Di Cecca	From 12 Jul to 31 Dec	Member	Independent, Non-Executive
Frédéric Claux	From 1 Jan to 12 Jul	Chairman	Independent, Non-Executive

Frederic Claux, succeeded by Pierre Cheyron, as Chairman of the Projects Committee, acknowledges responsibility for the Projects Committee system in Tabreed and the review of its working mechanisms to ensure its effectiveness.

The Projects Committee met 4 times on the following dates, during 2021:

- 31 March
- 17 June
- 14 September
- 14 December

The following table shows the attendance of each member for the period in which they were elected to the Finance Committee:

Member	Meetings invited to attend in 2021	Attendance in person	Proxy attendance
Frédéric Claux	2	2	-
Pierre Cheyron	2	2	-
Mohammed Al Huraimel Al Shamsi	1	1	-
Dr. Bakheet Al Katheeri	3	3	-
Sébastien Arbola	2	1	1
Antonio Di Cecca	2	2	-

Note: Committee members did not receive any fees for attending the meetings that serve the committee of which they are members.

9. Insider Information and Dealing Committee

Pursuant to the requirements laid down in Decision 3/2020, Tabreed formed the Insider Information and Dealings Committee that regulates transactions and holdings of Tabreed shares by Board members and employees of Tabreed. The Insider Information and Dealings Policy was approved by the Board on 22 February 2017. Following approval by the Board of the policy, the Insider Information and Dealings Committee operated in accordance with the approved policy. The following table shows the Committee members during 2021:

Name	Position	Year of Appointment
Hamish Jooste	February 2017	Chairman
Mousa Sajwani	February 2020	Member
Richard Rose	February 2017	Member

Note: Committee members did not receive any fees for attending the meetings that serve the committee of which they are members.

During 2021 the Committee maintained insider lists for various price sensitive matters and operated in accordance with the Market Conduct and Securities Trading Policy and the Insider Information and Dealings Policy.

Hamish Jooste, Chairman of the Insider Information and Dealings Committee, acknowledges his responsibility for the Insider Information and Dealings Committee system in Tabreed review of its working mechanisms and ensuring its effectiveness.

10. Internal Control System

Pursuant to Article 50 of Decision 3/2020, Tabreed's Internal Control function has been established by the Board to provide independent, objective and authoritative advice as well as assurance over the internal control environment to the Board, Audit Committee and management, to assist them in discharging their functions and duties. The Board of Directors acknowledges responsibility for regularly reviewing the effectiveness of the Internal Control function of the Company.

The Internal Control function reports to the Board and operates under the stewardship of the Audit Committee. This enables the Internal Control function to operate in an independent and objective manner. The role of the Internal Control function is to assist management in meeting their responsibility to:

- Adopt a good practice governance model;
- Develop a strong internal control environment;
- Recognise and manage risks; and
- Comply with laws, regulations and responsibility for the Insider Information and Dealings Committee system in Tabreed.

The designated Internal Control Officer for 2021 was Mousa Sajwani who was appointed on 23 February 2020. Mousa has over 13 years of experience starting with Ernst & Young in which organizational skills and ethical standards were gained to ensure that audits are performed with the highest level of compliance and confidentiality. Mousa's industry journey also spans across multiple industries such as Oil & Gas, Regulatory and Utilities with all part of Finance division in addition to Asset Management experience. The Internal Control Officer reports directly to the Audit Committee.

Hamish Jooste is the duly appointed Compliance Officer of the Company, appointed in April 2020, and he acknowledges responsibility for the Internal Control function systems in Tabreed and the review of its working mechanisms to ensure its effectiveness.

The annual review of Internal Controls, as is required under Article 50 of Decision 3/2020, was completed by the Internal Control function and reported to the Audit Committee and to the Board for 2021. In addition, the Internal Control function issued 8 other reports to the Board covering HSEQ, EPPI (Order to Sales Process), Crises Management and Business Continuity Management, Project Management, Corporate Governance and Policy Procedures (Tabreed Oman and Tabreed Bahrain), District Cooling Regulations, Human Capital (Employee Relations and Admin) and an annual internal controls review for 2021.The Board met its internal control responsibilities in 2021 by reviewing presentations on risk management, discussing control issues at Board meetings and reviewing the detailed reports from Board Committees, and found that the internal control environment was satisfactory for 2021. During 2021, the Company did not face any major issue requiring disclosure in any report or to the market.

11. Irregularities in 2021

Except as otherwise specifically stated elsewhere in this report, Tabreed confirms that it is compliant with Decision 3/2020 on Corporate Discipline and Governance Standards and that no irregularity occurred during the course of 2021.

12. Corporate social responsibility: Code of conduct and local community development

Tabreed's approach to corporate social responsibility involves adopting business practices that, in addition to being compliant with applicable legal and regulatory requirements, are based on ethical values and respect for the immediate community and stakeholders of the Company (being employees, customers, partners, investors, suppliers, vendors, government and the environment).

Tabreed is also conscious about its overall social impact and understands the increasing expectations of its stakeholders in relation to how Tabreed conducts its business. Consequently, Tabreed chooses to be socially responsible and to contribute as a sustainable business to positively impact the wider community. In light of the above, Tabreed has developed a Code of Conduct which sets out internal rules and requirements for:

- Improper payments;
- Market misconduct;
- Prevention of fraud, and money laundering;
- Entertainment and gifts;
- Working with stakeholders, suppliers and government;
- Serving the community; and
- Sustainability and corporate social responsibility.

Tabreed's Code of Conduct sets out the framework, values, principles and standards by which we expect all our employees to abide when dealing with vendors, customers, contractors and other external stakeholders, as well as when dealing with colleagues, affiliates, subsidiaries and internal departments. In 2021, all Tabreed employees and Board members were required to complete an annual declaration confirming compliance against the Code of Conduct, disclosing any matters of potential non-compliance to the Tabreed compliance team for its review and consideration. This is a practice undertaken annually in addition to quarterly updates requested from Board members through the year and requests for ongoing reporting from employees to be made throughout the year. Another initiative undertaken in 2021 was the launch of a dedicated, anonymous whistleblowing hotline which is available to Tabreed staff to make declarations on possible breaches of code of conduct or other unacceptable behaviour within the company. Communications to staff have emphasised that the hotline is run by an independent operator and disclosures can be made anonymously and disclosures will be passed to the Compliance team for its review.

In 2021, the Tabreed Compliance team launched online training for all Tabreed corporate staff on the subjects of Anti-Bribery and Corruption as well as Anti-Money Laundering. Participation of over 90% on each subject was recorded via the online Navex Global delivery platform.

Ideas@Tabreed

In line with Tabreed drive for excellence, Ideas@Tabreed initiative was launched in 2020, with an objective to stimulate a culture of ownership and engagement, build team spirit and drive continuous improvement.

Great contributions were seen since the launch of this platform led to the implementation of a number of initiatives resulted in significant benefits helped boost employees' performance, productivity and better collaboration, in addition to optimization of operational and organizational processes, to name only a few. This encouraging trend will continue as we navigate the journey of continuous improvement.

Tabreed Cares

The "Tabreed Cares" campaign was introduced in 2020 as a continuous, long-term CSR campaign, broadcasting the Company's efforts across its operations. The "Tabreed Cares" slogan is intended to be used in our online broadcasting of the initiatives undertaken by the Company, to showcase Tabreed's role as a socially conscious and active company.

The current initiatives being undertaken revolve around the impact of the Covid-19 pandemic, and these include:

- A partnership with the SAAED association, the Emirates Red Crescent, and the Ministry of Interior in an initiative titled "Your families are ours" which sees Tabreed offer a substantial donation to provide support for families across the UAE that have been impacted by the Covid-19 pandemic.
- A partnership with Opal (Oman Society for Petroleum Services), a non-profit member association in the Sultanate of Oman, in addition to the Oman Ministry of Health, to support in funding the testing of Covid-19 in the country.
- A strategic collaboration with Bahrain's Royal Humanitarian Foundation (RHF) and taking part in the national "Feena Khair" initiative by providing financial support in Bahrain to help combat the effects of the coronavirus pandemic.

Student Internships

Tabreed's Internship Program (TIP) is designed to give undergraduate UAE National students an opportunity to complement their formal education with career-related experiences. Tabreed support internship programs as they help prepare students to work effectively in the business world upon graduation.

Gaining real world experience helps interns to make more informed career choices which will result in higher job satisfaction and productivity.

The internship program, available to Emirati students in their third or final year of study, will cover a variety of functions including engineering, finance and accounting, communications, Human Capital, and business development.

Plant tours and education

Students interested in gaining first-hand experience on the operations of district cooling plants are invited to tour our plants. Tabreed has partnered with five universities to provide guided tours to their engineering students to deepen their knowledge of district cooling technology.

Startrain Development Program

Tabreed has implemented a development programme to further develop the skills of UAE National employees to accelerate their contribution to Tabreed's performance-driven culture by creating alignment between the company goals and employee performance, which includes a leadership development program with specific and measurable milestones to monitor professional development to ensure employees are being trained to take on increasingly senior roles within the organization.

Work-Experience

Tabreed acknowledges the importance of work-experience to job seekers. Tabreed accepts a responsibility to provide meaningful work-experience as an opportunity for participants to gain an understanding of the requirements of the occupational areas of the Company in which they are placed.

Sponsorship

Tabreed invests in the aspiring youth of the Country as a service to the local community and part of its Corporate Social Responsibility mandate. Through Tabreed's Sponsorship Program, talent pools will be identified as the potential future workforce of the Company.

The Company attracts UAE national Students to work with Tabreed by providing a sponsorship with one of the granted local (UAE) based Accredited Universities and Technical Colleges.

13. Sustainability, occupational health & safety, and quality

13(a) Sustainability

I. Environmental Management

The Company complies with all applicable UAE environmental laws and regulations and has received specific permits from the UAE Environment Agencies in each applicable Emirate.

In relation to effluent water release and emissions into the air:

- Environmental reporting occurs on a continuous basis to Dubai Municipality for all Tabreed's plants located in Dubai; and
- Tabreed continues to obtain permits for effluent water release from Environmental Agency Abu Dhabi (EAD) after undertaking to control certain parameter requirements such as acidity, turbidity and conductivity of the effluent.

II. Go Green Initiative

Go Green is an initiative to support Tabreed's efforts on sustainability with a keen focus on the reduction of its environmental impact. A core element of this initiative is reduction in the amounts of resources consumed which will consequently reduce waste generated by the Company. In the primary phase, this initiative focused on Tabreed Head Office with requirements, such as energy efficiency and reduction in generated waste (e.g., reducing paper and plastic usage). In subsequent phases, the focus will also include Tabreed plants. The following were the accomplishments:

- Secure printing initiative: decrease in the number of printers (group and standalones) with the implementation of secure card operated printers for increased security and usage efficiency.
- Digital signature initiative: adopted paper-free, fast and secure processes to send, sign, and approve documents.
- Paperless project site initiative: Tabreed's Projects department identified 3 sites for paperless transactions; an action plan was set and achieved to reduce paper usage by a certain percentage at these sites.
- Plastic bottles initiative: usage of plastic water bottles was stopped, dispensers along with biodegradable paper cups placed, and refillable, sanitized metal water bottles were provided.

III. Waste Management

Tabreed continued to comply with relevant UAE federal / local authorities by enforcing its Waste Management Reduction Plan that applies to all its plants, project sites, and offices, with the key objectives being to protect the environment and minimize and reduce waste materials through prudent waste management program.

IV. United Nations Sustainable Development

In addition, we are working to align our business strategy with the United Nations (UN) Sustainable Development Goals ("**SDGs**"). As a member of the "Cool Coalition" steering committee - a United Nations initiative - we have supported the UN SDGs since their inception. So far, we have set aggressive goals that align to the objectives and targets of several SDGs.

Sustainability is at the core of Tabreed's operations. It reflects the company's commitment to energy efficiency and to the environment, to its customers and to the sustainable socio-economic development of the region. These goals guide our day-to-day work as well as our environmental, social, and governance practices.

13(b) Focus on Occupational Health and Safety

Health, safety, and environment or HSE is the cornerstone of our operations and an integral part of business planning and strategic goal setting.

I. Leadership & Commitment:

- Top management is fully committed to HSE with direct reporting line to the COO.
- HSE performance reporting is done to the Board of Directors on monthly basis.
- HSE steering committee comprises HSEQ, Operations, Projects, and Supply Chain departments.
- Multiple plant and site visits performed each year by Chiefs, VPs, and senior management.
- Management Review is done on regular basis to ensure continual improvement.
- Compliance to regulatory authorities (NCEMA, OSHAD, DM, HAAD, TADWEER, and EAD etc.).

II. IMS Policy:

Key aspects of the IMS policy are as follows:

- Integrate Quality and Energy Management with OH&S and Environment.
- Conduct business in socially responsible manner.
- HSEQ is a key consideration in business planning and decisions.
- Comply with all regulations and industry best practices.
- Ensure all employees are trained and motivated to adopt and develop HSE culture.
- Seek continuous improvement in HSE and quality performance.

III. Certifications and Awards:

Recipient of the latest revisions of the ISO certifications:

- ISO9001:2015 for Quality Management Systems.
- ISO14001:2015 for Environment Management Systems.
- ISO45001 for Occupational Health and Safety Management Systems.
- ISO50001:2018 for Energy Management Systems – the first DC company in the region.
- Also, the first DC company in the region to have received:
  - Clean Energy Management (CEM)'s Energy Insight Award.
  - Big Project ME Awards for excellence in HSE.
  - SKEA Award.

IV. Implementation and Performance:

- HSE aspects integrated at project conceptual / design stages.
- Development of Tabreed's HSEQ and Energy Management manual.
- Regular HSE trainings and awareness programs to enhance HSE readiness.
- Robust Permit to Work (PTW) system.
- Frequent Regular internal and external HSEQ audits to ensure compliance to ISO standards, UAE regulations (OSHAD, DM, etc.) and international standards.
- Action tracking system for effective monitoring of HSE performance, objectives and KPIs.
- 14 million man-hours without any major injuries.
- Robust behavioural-based safety (BBS) program to ensure compliance with HSE culture.
- Go-Green Initiative to support environment and sustainability.

13(c) Enterprise Quality Management (EQM):

Tabreed is certified under ISO9001:2015 and integrates its QMS with other management systems, such as ISO45001 (OH&S), making it ever more essential to ensure sound integration while documenting and implementing the quality management program across the organization.

In order to attain sustained Business Excellence Tabreed focuses on EQM, an organization-wide Total Quality Management program with the following core objectives:

- Providing insight on quality management functions by Tabreed HSEQ and other departments and mapping them against the essential clauses from ISO9001, 9004 and the SKEA (Sheikh Khalifa Excellence Award) model.
- Finding discrepancies in existing quality management efforts.
- Continuing to improve to overcome such discrepancies.
- Integration on a unified platform all the quality efforts.

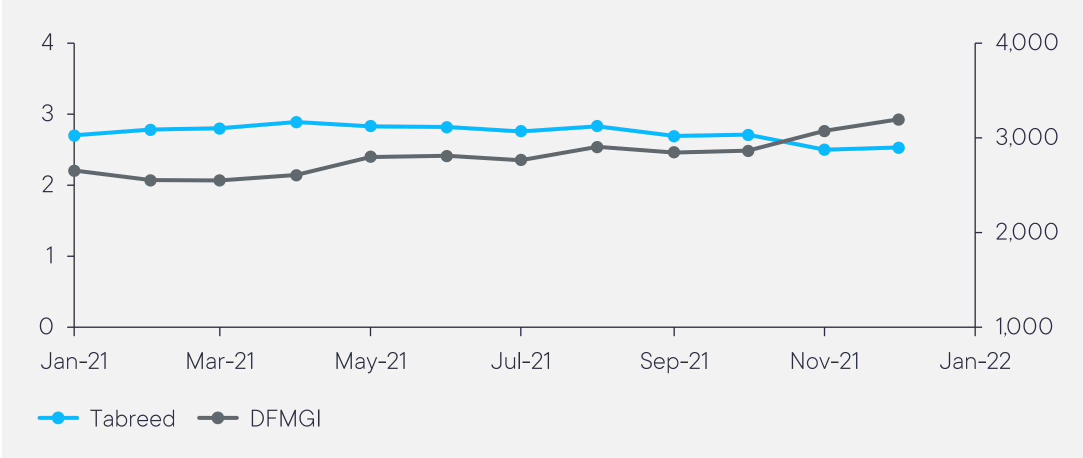
14. General information

14(a) Share Price

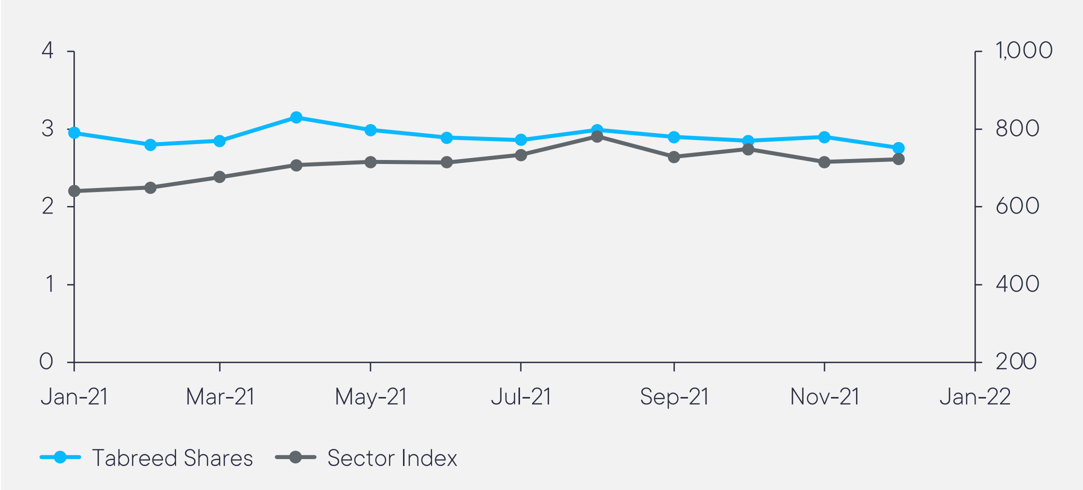
The following table presents the highest and lowest share price for each month during 2021 showing the market index and sector index as of 31 December 2021:

	Share Price (AED)		Market Index	Sector Index	Closing	Share Performance	
	Highest	Lowest			Price	VS Market	VS sector
January	2.95	2.61	2,654.06	640.62	2.7	-4.62%	1.34%
February	2.80	2.66	2,551.54	649.92	2.78	6.83%	1.51%
March	2.85	2.65	2,550.23	676.5	2.8	0.77%	-3.37%
April	3.15	2.73	2,605.38	707.19	2.89	1.05%	-1.32%
May	2.99	2.8	2,797.52	715.06	2.83	-9.45%	-3.19%
June	2.89	2.75	2,810.56	714.92	2.82	-0.82%	-0.33%
July	2.86	2.71	2,765.71	733.59	2.76	-0.53%	-4.74%
August	2.99	2.74	2,902.97	781.38	2.83	-2.43%	-3.98%
September	2.90	2.39	2,845.49	728.26	2.69	-2.97%	1.85%
October	2.85	2.5	2,864.21	748.38	2.71	0.09%	-2.02%
November	2.90	2.47	3,072.91	715.39	2.5	-15.04%	-3.34%
December	2.76	2.47	3,195.91	722.93	2.53	-2.80%	0.15%

Source: Dubai Financial Market



Source: Dubai Financial Market



Source: Dubai Financial Market

14(b) Shareholder Ownership

Shareholder Ownership (%) as at 31 December 2021 is as follows:

	% Ownership	Individuals	Companies	Government	Institution	Banks
Arab	0.42%	0.40%	0.02%	0.00%	0.00%	0.00%
GCC	1.87%	0.33%	1.55%	0.00%	0.00%	0.00%
UAE	52.46%	5.72%	46.62%	0.00%	0.01%	0.11%
Others	45.25%	0.32%	44.86%	0.06%	0.00%	0.00%

Source: Dubai Financial Market

14(c) Ownership - 5% or More

Shareholders who own 5% or more of the share capital as at 31 December 2021 are:

Name	% Ownership
GDF International	40.00
General Investments FZE	38.2114

Source: Dubai Financial Market

14(d) Shareholders Ownership Distribution

Shares owned	No. of Shareholders	No. of shares held	% of the shares owned
Less than 50,000	18,264	35,530,185	1.308
From 50,000 to less than 500,000	307	49,084,977	1.808
From 500,00 to less than 5,000,000	86	115,456,777	4.252
More than 5,000,000	20	2,515,457,185	92.632
Total	**18,677**	**2,715,529,124**	**100.00**

Source: Dubai Financial Market

14(e) Investor Relations

For the purposes of Article 35 of Decision 3/2020, the officer in charge of investors' relations and shareholder communications for the Company during 2021 was Souad Al Serkal (available at email address: IR@tabreed.ae; telephone: +971 2 2020400/+971 4 3132432; fax: +9712 6455 008). Further information in relation to investor relations is available in the "Investor Relations" section of Tabreed's website: www.tabreed.ae.

14(f) General Assemblies; Special Resolutions

Tabreed conducted one general assembly in 2021, namely its Annual General Assembly on 21 March 2021, where the following special resolutions were passed to:

a) amend the articles of association of the Company in the form posted on the Company's website;

b) authorize the Board of Directors of the Company, and/or any person so authorized by the Board of Directors, to adopt any resolution or take any action as may be necessary to implement the ordinary and special resolutions to be adopted by the general assembly in this meeting including to increase the Company's share capital if the general assembly approves the issuance of bonus shares; and

c) authorize the Board of Directors of the Company, for a period of 12 months, to issue non-convertible (into shares) bonds and/or sukuk (whether directly or through a special purpose vehicle) in accordance with this special resolution, in one or more tranches, to be offered to qualified investors, with a total value of up to USD 1 billion (or equivalent) in aggregate and at a profit rate not exceeding the prevailing market rate available to companies with the same credit rating as the Company, in each case as the Board of Directors of the Company sees fit.

14(g) Board Secretary

Hamish Jooste is the Company Secretary of Tabreed and was appointed on 28 April 2014, holding Bachelor of Laws and Bachelor of Economics degrees. Hamish Jooste is a lawyer with over 20 years of experience and is also the Chief Legal Counsel of Tabreed. The primary responsibilities of the Company Secretary are to promote corporate governance excellence within the Boardroom and to ensure that a healthy relationship exists between the Board and the management of the Company. The Company Secretary ensures compliance with applicable corporate governance requirements and regulations at all times.

The Company Secretary also coordinates meetings of the Board of Directors, circulates the agenda and supporting information in advance of the meetings and then prepares and finalizes the minutes of those meetings. Currently the Company Secretary acts independently from management and reports directly to the Board in his capacity as the Company Secretary, however Hamish Jooste is an employee of the Company, in a separate capacity as the Chief Legal Counsel. Hamish re-qualified as a DFM approved Company Secretary in February 2021.

14(h) Significant Events - 2021

Date	Events
6 January	Tabreed announced the signing of an agreement with Miral to provide district cooling services to SeaWorld Abu Dhabi, a first-of-its-kind marine life theme park being developed by Miral on Yas Island, a top global destination for entertainment, leisure and business. Tabreed will connect the new SeaWorld Abu Dhabi development to its existing Yas Island district cooling scheme and will deliver a cooling capacity of 7,500 refrigeration tons with a total concession capacity of 15,000 refrigeration tons.
13 January	Tabreed Energy Services, a wholly owned subsidiary of the National Central Cooling Company PJSC (Tabreed) that provides customers with an integrated set of consultancy, operations and maintenance services, established a strategic partnership with Abu Dhabi Commercial Properties (ADCP) to increase energy efficiency across a number of their buildings. Under the terms of the partnership, Tabreed Energy Services will provide its expertise in energy efficiency and sustainable cooling operations to perform energy audits of selected buildings owned or managed by ADCP. Through the captured data, Tabreed will identify buildings with high potential to reduce its energy and water demand.
20 January	Tabreed announced expanding its partnership with Masdar by developing and connecting Masdar and Tabreed infrastructure to help increase operating synergies further. The collaboration will provide efficient cooling to sustainable cities around the world to expand on the Tabreed and Masdar existing relationship. The two companies also announced that Tabreed will leverage its sector expertise to carry out Research & Development testing on two deep geothermal wells located in Masdar City. The tests will study the viability of geothermal energy technology and its ability to substantially reduce electricity consumption.
24 January	Tabreed announced the signing of an agreement with twofour54 to cool its new headquarters Yas Creative Hub in Yas Bay, which it is set to open later this year. Tabreed will connect the new campus development to its existing Yas Island district cooling scheme and will deliver a cooling capacity of 3,500 refrigeration tons (RT) by the end of this year, with a total concession capacity of 9,000 refrigeration tons. The two companies signed a long-term services agreement that will see Tabreed supply twofour54 with district cooling services for the next 30 years

Date	Events
15 February	Tabreed released its audited financial results for 2020. Despite the challenging business environment, Tabreed reported a 16.5% increase in 2020 net income to AED 550m, adding 39,600 Refrigeration Tons (RT) of organic capacity growth and 181.5 kRT of inorganic capacity additions, resulting in the delivery of 1,403,819 RT of cooling capacity at the end of the year.
28 February	Tabreed announced the launch of four pilot projects. These projects are part of Tabreed's R&D funding commitment, which reinforces the company's unwavering stewardship towards sustainability beyond just environmental benefits. This will also contribute to an improvement in Tabreeds operational efficiency while enhancing district cooling plant life and reliability, with the funding expected to contribute towards increasing plant energy efficiency by 30% against comparable industry performance benchmarks as well as lowering overall plant lifecycle costs.
03 March	Tabreed and the International Finance Corporation (IFC), a member of the World Bank Group, are planning to establish a district energy investment platform in Singapore that will invest in district cooling, trigeneration and cooling as a service offering with primary focus on India followed by other Southeast Asian countries. The joint venture aims to build on Tabreed's ongoing development activities in India following establishment of its wholly owned subsidiary in the country and will seek to provide more energy efficient end to end cooling as a service offering through an outsourced utility model for real estate developments, new urban masterplans and ongoing redevelopments across target cities.
17 March	Despite a challenging year, Tabreed continued to make considerable progress on its business objectives and published its first annual ESG Report, detailing the company's 2020 environmental, social, and governance performance in the communities in which it operates. The ESG report was prepared in accordance with the Global Reporting Initiative (GRI) Standards, the international framework for sustainability reporting, the report offers greater insights into the company's activities and achievement and sets a baseline for measuring the company's future ESG performance as a key industry leader.
21 March and 12 April	Tabreed unveiled its all-new branding and corporate identity. This historic development followed Tabreed's Annual General Assembly (AGA), which was held virtually on 21 March 2021, confirming Tabreed's stellar performance throughout 2020. Tabreed exceeded all expectations by reporting a 16.5% increase in net income to a record AED 550m and the addition of 221,100 RT of capacity growth, resulting in the delivery of more than 1.4 million RT of cooling capacity. The AGA also approved a cash dividend of 5.75 fils per share and bonus shares of one share for every existing 45 shares for the financial year ending 31 December 2020. This equates to approximately 11.5 fils for each share at the current share price, representing a 10% increase on 2019's dividend.

Date	Events
17 May	Tabreed announced the appointment of Khalid Al Marzooqi as the company's new Chief Executive Officer.
1 June	Tabreed celebrated the first anniversary of its partnership with Emaar Properties PJSC for the exclusive provision of energy efficient district cooling services to landmark developments in Downtown Dubai. This is a collaboration that has been responsible not only for remarkable growth in Tabreed's portfolio, but also for genuine benefits to the environment, thanks to the efficiency and reliability of the company's technology and engineering.
11 August	Tabreed released its consolidated financial results for the first six months of 2021, reporting a net profit of AED 233.5m – an increase of 4% compared to its 2020 H1 performance.
17 August	Tabreed disclosed its sale of 44% of the shares in Qatar District Cooling Company to United Development Company for an amount of AED 417m.
29 August	Tabreed announced the acquisition of an additional 50% stake in the exclusive 80,000 refrigeration ton district cooling scheme supplying Al Maryah Island in Abu Dhabi, including its major entertainment, hospitality, retail, commercial and residential developments. The acquisition was from joint venture partner, Mubadala Infrastructure Partners (MIP), bringing Tabreed's ownership to 100%. Tabreed will continue to operate the Al Maryah scheme under a 30-year exclusive concession granted in 2014 by Al Sowwah Square Properties LLC, a wholly owned subsidiary of Mubadala Investment Company.
10 October	Tabreed has been awarded "System of the Year" by the International District Energy Association (IDEA) in a special ceremony during the IDEA2021 annual conference, which was held in Austin, Texas, under the theme "Powering the Future".
14 November	Tabreed released its consolidated financial results for the first nine months of 2021, reporting a net profit of AED 388m – an increase of 5% compared to its 2020 performance for the same period. The results demonstrate the effectiveness of Tabreed's approach to sustainable growth, with the company divesting its 44% stake in Qatar District Cooling Company while increasing ownership of the 80,000 Refrigeration Ton (RT) Al Maryah Island district cooling scheme in Abu Dhabi to 100% during the quarter.
20 December	Tabreed announced a significant strategic partnership with the International Finance Corporation (IFC), a member of the World Bank Group and the largest global development institution focused on the private sector in emerging markets. Since its establishment in 1956, IFC has invested more than $321 billion in emerging markets. The partnership will include ownership of Tabreed India, currently a wholly owned subsidiary of Tabreed, being transferred to a new holding company established in Singapore to be jointly owned by Tabreed (75%) and IFC (25%). The holding company will be established with initial equity commitments from the partners of US$100 million with a mandate to invest in projects of up to approximately $400 million over the next five years, targeting a portfolio of approximately 100,000 refrigeration tonnes (RT) servicing industrial, commercial and retail developments across India.

14(i) Emiratization Percentage

In respect of the total headcount of Tabreed's corporate operations, Tabreed held the following Emiratization levels in respect of the periods stated below:

2017	2018	2019	2020	2021
38% Emiratization	39% Emiratization	41% Emiratization	41% Emiratization	43% Emiratization

14(j) Innovative Projects

During 2021, Tabreed further developed its R&D and Innovation Strategy with mid- and long-term capital expenditure investment projects aimed at making significant reductions in Tabreed's power consumption (20-30%), as well as CO2 emissions of existing and future plants, while improving the life cycle cost of our projects. Planned projects include:

Date	Events
The Future of Cooling: new Design, Technologies and Controls	Aims at introducing a new all-variable design concept with new control algorithms into each district cooling plant which results into material improvements in plant performance as well as a prolonged life and improved costs. In 2021, a plant operating algorithm for all variable plants has been developed and the initiative is currently tested in the design phase of a new plant to be built in 2022 and 2023..
Carbon Nanotube	Aims at drastically improving plant life and efficiency as well as reducing the plant equipment footprint, using Carbon Nanotube (CNT) material which have exceptional heat transfer properties. In 2021, a partnership with Engie Lab, the research and development center of Engie in France and a collaboration with University of Sharjah have been signed to monitor 4 CNT applications specifically adapted to our district cooling industry (HEX, nanorefrigerant, nanolubricant, skycooling). An implementation and experimentation phase is expected in 2022.
Wet Bulb Forecasting;	Demand Side Management, through wet bulb forecasting, intends to operate Tabreed plants more efficiently by optimizing the operation strategy. Thanks to this forecast model, Tabreed operation will run its equipment by matching the anticipated demand and thus adapting the production with the accurate buildings load. In 2021, a stable weather forecasting system was signed with a worldwide weather provider. The second step is to use data science to develop models and correlations to support other Tabreed departments.
Cooling Tower Life Cycle Cost Optimization.	Enhancing the condenser circuit and its associated cooling tower which is one of the critical components in the DC plant and has a significant impact on plant performance. Tabreed is currently redesigning the system to enhance its efficiency through improving water and air distribution as well as heat transfert. A pilot project was implemented in 2021 and Tabreed is now in a performance monitoring phase to evaluate the benefits of such innovative technology.

Tabreed has also initiated several projects to improve the water and electrical efficiency of its plants in the UAE and Bahrain. These projects harnessed technologically advanced electrical equipment with variable frequency drives linked to smart controllers. Tabreed also focused on using the historical data of its plants to enhance its operational efficiency. Tabreed seeks to leverage “Big Data” analysis to provide more process insights and enhancements to its operations.

Tabreed continued to develop and test technologies in energy management and district cooling O&M optimization, which resulted in the adoption of two new software solutions.

Additionally, Tabreed aimed to improve efficiencies and running conditions for major equipment such as chillers and cooling towers. Tabreed’s automated scale removal and prevention system (ASRAPS) is being tested in various plants to prevent scaling in heat exchanger equipment. Scaling reduces operational efficiencies over time. To combat this, the system uses electromagnetic waves to prevent scaling from depositing on the inner surface of heat exchangers, providing improved heat exchanger efficiencies and an elongated life span of the equipment.

Tabreed developed an ambitious plan to reduce potable water consumption by increasing the use of treated sewage effluent (TSE) in the cooling towers.

Overall, Tabreed’s R&D projects completed in 2021 demonstrated positive results, providing further incentive for Tabreed to continue to expand on its efforts and to continue to pursue enhanced operational strategies and additional increases in electrical and water efficiencies, thereby optimizing O&M costs.

Annex one:

Corporate Structure Chart 2021

Corporate Structure Chart as of 21 December 2021 National Central Cooling Company PJSC ("Tabreed")

International District Cooling

- 99.99% — **Tabreed India Private Limited** Tabreed Utilities & Metering Energy Investment LLC (0.1%)
  - 99.99% — **Tabreed Infopark Cooling Private Limited** Sudheer Perla (1 share, nominee shareholder)
- 0.1% — **Tabreed Amaravati District Cooling Private** Limited Tabreed India Private Limited (99.99%)
- 100% — **Tabreed Asia Central Cooling Coppmany** LTE PTE
- 99% — **Tabreed Company for Central Cooling** Services LLC (Tabreed Misr) Tabreed Energy Services LLC (1%)

Regional District Cooling

- 28% — **Saudi District Cooling Company also known as "Saudi Tabreed" (KSA)** ACWA Power (41.715%) Mena Utilities (22.791%) Al Mutlaq Group (7.5%) Lama Holding Company (7.994%)
- 95% — **Tabreed Holding WLL** Gulf Energy System Company LLC (5%)
  - 99.83% — **Bahrain District Cooling Company BSC** (c) (Tabreed Bahrain) Abdulla Ahmed Isa Almannaei (0.17%)
  - 60.54% — **Tabreed Oman SAOC** Ministry of Defense Pension Fund (10.090%) Diwan of Royal Court Pension Fund (5.045%) ISS Pension Fund (7.063%) PMA International Ltd. (9.186%) Pvt Projects Dvlpt Co. LLC (8.072%)
    - 100% — **Tabreed Al Mouj SPC**

Value Chain Business "VCB"

- 99.99% — **Gulf Energy System Company LLC (GES)** Khaled Abdulla Al Qubaisi (0.01%)
- 100% — **Tabreed Energy Investments Sole** Proprietorship LLC
- 51% — **SNC Lavalin Gulf Contractors LLC (SLGC)** SNC Lavalin International Inc. (49%)
- 65.2% — **Emirates Preinsulated Pipes Industries LLC** Al Namlah (20.5%)- Al Bitar (10.9%)- Jailem (3.4%)
- 70% — **Ian Banham & Associates Consulting Engineering** M. Al Kashani (30%)
- 99% — **Installation Integrity 2000 LLC** Gulf Energy System Co. LLC (20%)
- 10% — **Cooltech Energy Water Treatment LLC** Gulf Energy System Co. LLC (90%)
- 99% — **Cooltech Water Treatment LLC** Gulf Energy System Co. LLC (1%)
- 99% — **Cooltech Water Services LLC** Gulf Energy System Co. LLC (1%)
- 99% — **Tabreed Operation & Maintenance** Zones Cooling Stations Co. LLC (TOMCO) Gulf Energy System Co. LLC (1%)
- 99% — **Tabreed Utilities & Metering Energy** Investment Co. LLC TOMCO. LLC (1%)
- 99% — **Tabreed Energy Services LLC** CUMEI (1%)
- 99% — **Central Utilities & Metering Energy** Investment Co. LLC (CUMEI) TOMCO. LLC (1%)
  - 100% — **Tasleem Metering & Payment** Collection – Sole Proprietorship LLC

UAE District Cooling

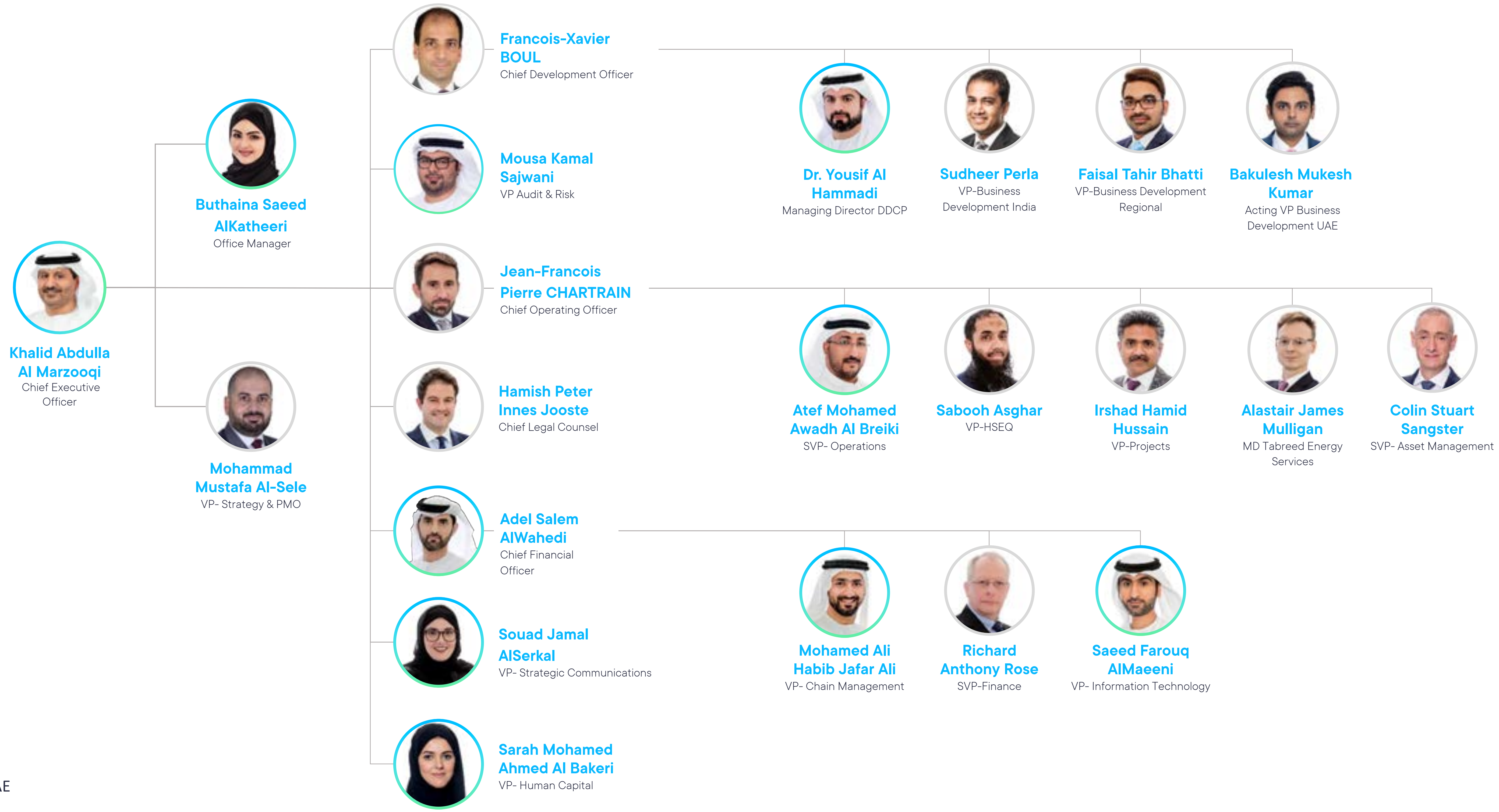
- 99.99% — **Summit District Cooling Company LLC** Gulf Energy System LLC (0.01%)
- 60% — **National Central Cooling Company** Ras Al Khaimah LLC Gulf Energy System LLC (40%)
- 20% — **industrial City Cooling Company LLC** Abu Dhabi Investment Company (52.5%) Waha Capital PJSC (27.5%)
- 40% — **Sahara Cooling Limited (JAFZA)** Summit Global Management Co. VI B.V (30%) Electric and Power Development Corp. Ltd (30%)
- 51% — **Sahara Cooling & Air Conditioning LLC** Sahara Cooling Limited (Jebel Ali F.Z. Co.)
- 99% — **Tabreed Parks Investment LLC** TOMCO (1%)
- 80% — **Downtown DCP LLC** Emaar District Cooling LLC (EDC) (20%)
- 99% — **Saadiyat District Cooling LLC** Tabreed Energy Investment LLC (1%)
- 99% — **Saadiyat Cooling LLC** Tabreed Energy Investment LLC (1%)
- 99% — **District Utilities Energy Investment LLC** TOMCO (1%)
  - 100% — **S&T Cool District Cooling** CompanySole Proprietorship LL
- 99.6% — **Tabreed Al Maryah District Cooling** Investment LLC (TAMDCI) TOMCO (0.4%)
- 50% — **Business District Cooling Investment LLC** TAMDCI (50%)
  - 99.99% — **Al Wajeez Development Company** Pvt. JSC TAMDCI (0.1%)
- 75% — **Prime District Cooling LLC** International Capital Trading LLC (25%)
- 100% — **Tabreed Sustainable City Limited**

Consolidated in Tabreed's Accounts

Not Consolidated in Tabreed's Accounts

Annex two:

Organisational Chart 2021



UAE

8 Sustainability Report

During the reporting years ended 31 December 2021, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Environmental	Indicators	Sub-Indicators	Unit/Type of Answer	Tabreed 2021 Data	Corresponding GRI Standards	SDGs
E1. GHG Emissions	E1.1) Total amount in CO2 equivalents, for Scope 1	GHG Emissions Scope 1	Tonnes of CO2e	1,128,543.46	GRI 305 - Emissions 2016	SDG 13 - Climate Action
	E1.2) Total amount in CO2 equivalents, for Scope 2	GHG Emissions Scope 2	Tonnes of CO2e			
E2. Emissions Intensity	E2. 1) Total GHG emissions per output scaling factor	Total GHG Emissions/ Total FTE	Tonnes of CO2e/Total FTE	7,729.75	GRI 305 - Emissions 2016	SDG 13 - Climate Action
	E2. 2) Total non-GHG emissions per output scaling factor	Total non-GHG Emissions/ Production Units	Tonnes of CO2e	Not Applicable		
E3. Energy Usage	E3. 1) Total amount of energy directly consumed	Petrol used for on-road vehicles owned or leased by the company	Litres	947,517	GRI 302 - Energy 2016	SDG 12 - Responsible Consumption and Production
		Petrol used for stationary machinery or generators owned or leased by the company	Litres			
		Natural Gas consumption from gas turbines	m3	11,499		
	E3. 2) Total amount of energy indirectly consumed	Electricity Consumption - Purchased from a Third-Party (i.e. National Utility Company)	kWh	1,794,815,096		
E4. Energy Intensity	E4) Total direct energy usage per output scaling factor	Total Energy Consumption/Total FTE	TJ/Total FTE	44.48	GRI 302 - Energy 2016	SDG 12 - Responsible Consumption and Production
E5. Energy Mix	E5) Percentage: Energy usage by generation type	Natural Gas	%	2%	GRI 302 - Energy 2016	SDG 7 - Affordable and Clean Energy
E6. Water Usage	E6.1) Total amount of water consumed	Utility Water Consumption - Purchased from a Third-Party (i.e. National Utility Company)	m3	15,650,392	GRI 303- Water and Effluents 2018	SDG 6 - Clean Water and Sanitation
	E6.2) Total amount of water reclaimed	Industrial or municipal wastewater that is recycled and reused at the company	m3	2,628,113		

Environmental	Indicators	Sub-Indicators	Unit/Type of Answer	Tabreed 2021 Data	Corresponding GRI Standards	SDGs
E7. Environmental Operations	E7.1) Does your company follow a formal Environmental Policy?		Yes/No	Yes, Tabreed has developed its own Integrated Management System (IMS) Policy. Health, safety, environment, quality and energy compliance are a cornerstone of our operations and an integral part of business planning and strategic goal setting. Please refer IMS Policy in Annex 1	GRI 103: Management Approach 2016	SDG 13: Climate Action
	E7.2) Does your company follow specific Waste, Water, Energy, and/ or Recycling policies?		Yes/No	Yes. In Tabreed's IMS Policy, we commit to sustainably making efficient use of energy and conserving natural resources, reducing cost, preventing environmental pollution and encouraging reduction, reuse and recycling of waste. Please refer IMS Policy in Annex 1		
	E7.3) Does your company use a recognized Energy Management System?		Yes/No	Yes, Tabreed is certified under ISO 50001:2018 Energy Management System, which is applicable to the management of district cooling activities and services & all energy consumed by us. In addition to this, Tabreed has laid down its commitments in IMS Policy towards reduction in energy consumption, improvements in energy performance and procurement of energy-efficient products and services. Please refer IMS Policy in Annex 1 and ISO 50001:2018 certification in Annex 2		
E8. Environmental Oversight	E8) Does your Board/Management Team oversee and/or manage climate-related risks?		Yes/No	Yes, all ESG related matters including climate-related risks are overseen by the Tabreed Management Team (CEO, COO, CFO, CDO and CLC). The management has also created a separate ESG Committee to review and report ESG requirements to the Tabreed Management Team.	GRI 102: General Disclosures 2016	SDG 13: Climate Action
E9. Environmental Oversight	E9) Does your Board/Management Team oversee and/or manage other sustainability issues? If Yes, please share the policy/supporting document		Yes/No	Yes, all ESG related matters are overseen by the Tabreed Management Team (CEO, COO, CFO, CDO and CLC). The ESG Committee reviews and reports the sustainability issues to the Tabreed Management Team.		
E9. Climate Risk Mitigation	E10) Total amount invested, annually, in climate-related infrastructure, resilience, and product development	Describe the allocation of the funds for respective initiatives	Descriptive	Tabreed invested 0.76% of the company revenue towards climate risk mitigation in 2021. These investments include growth capex, construction/expansion capex and efficiency enhancement capex that are core to the district cooling sector.		SDG 13: Climate Action

Social Disclosure	Indicators		Sub-Indicators	Measurement Unit/ Type of Answer	Tabreed 2021 Data	Corresponding GRI Standards	SDGs
S1. CEO Pay Ratio	S1.1) Ratio: CEO total compensation to median Full Time Equivalent (FTE) total compensation			i.e. 1:1 or 1:1.8 or 1:7.5	This disclosure is part of our standalone annual Corporate Governance Report, which we submit to the Securities and Commodities Authority (SCA), UAE.	GRI 102: General Disclosures 2016	SDG 10: Reduced Inequalities
	S1.2) Does your company report this metric in regulatory filings?			Yes/No			
S2. Gender Pay Ratio	Ratio: Median male compensation to median female compensation			i.e. 1:1 or 1:1.8 or 1:7.5	1:3.26	GRI 405: Diversity and Equal Opportunity 2016	SDG 5: Gender Equality
S3. Employee Turnover	S3.1) Percentage: Year-over-year change for full-time employees		Turnover Rate of Full-Time employees	%	7%	GRI 401: Employment 2016	SDG 8: Decent Work and Economic Growth
	S3.2) Percentage: Year-over-year change for part-time employees		Turnover Rate of Part-Time employees	%	0%		
	S3.3) Percentage: Year-over-year change for contractors/consultants		Turnover Rate of contractors/consultants employees	%	42%		
S4. Gender Diversity	S4.1) Percentage: Total enterprise headcount held by men and women	Total HR	Male	%	93%	GRI 102: General Disclosures 2016 GRI 405: Diversity and Equal Opportunity 2016 GRI 405: Diversity and Equal Opportunity 2016	SDG 5: Gender Equality
			Female	%	7%		
	S4.2) Percentage: Entry- and mid-level positions held by men and women	Entry Level	Male	%	60%		
			Female	%	1%		
		Mid Level	Male	%	24%		
			Female	%	5%		
	S4.3) Percentage: Senior- and executive- level positions held by men and women	Senior Level	Male	%	8%		
			Female	%	1%		
		Executives	Male	%	1%		
			Female	%	0%		
S5. Temporary Worker Ratio	S5.1) Percentage: Total enterprise headcount held by part-time employees			%	0%	GRI 102: General Disclosures 2016	
	S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants			%	5%		
S6. Non-Discrimination	S6) Does your company follow a sexual harassment and/or non-discrimination policy?			Yes/No	Yes. Please refer Sexual Harassment Policy in Annex 3	GRI 103: Management Approach 2016	SDG 10: Reduced Inequalities
S7. Injury Rate	S7) Percentage: Frequency of injury events relative to total workforce time			LTIFR per Million worked hours	0	GRI 403: Occupational Health and Safety 2018	SDG 3: Good Health and Well-being
S8. Global Health & Safety	S8) Does your company follow an occupational health and/or global health & safety policy?			Yes/No	Tabreed's IMS Policy ensures in providing safe and healthy working conditions to its employees, while complying with health and safety regulations, standards and industry best practises. Please refer IMS Policy in Annex 1	GRI 103: Management Approach 2016	SDG 3: Good Health and Well-being
S9. Child & Forced Labour	S9.1) Does your company follow a child and/or forced labour policy? If Yes, please provide the policy document			Yes/No	A policy has been drafted and is currently undergoing final approvals prior to roll out.	GRI 103: Management Approach 2016	SDG 8: Decent Work and Economic Growth
	S9.2) If yes, does your child and/or forced labour policy also cover suppliers and vendors?			Yes/No	The policy to cover suppliers and vendors is not yet in force.		

Social Disclosure	Indicators	Sub-Indicators	Measurement Unit/ Type of Answer	Tabreed 2021 Data	Corresponding GRI Standards	SDGs
S10. Human Rights	S10.1) Does your company follow a human rights policy?		Yes/No	A policy has been drafted and is currently undergoing final approvals prior to roll out.	GRI 103: Management Approach 2016	SDG 10: Reduced Inequalities
	S10.2) If Yes, does your human rights policy also cover suppliers and vendors?		Yes/No	The policy to cover suppliers and vendors is not yet in force. However, the existing Supplier Code of Conduct includes a clause on Labour and Human Rights. Please refer Supplier Code of Conduct in Annex 4		
S11. Nationalisation	S11.1) Percentage of national employees	Total Corporate Employees	%	43%		SDG 8: Decent Work and Economic Growth
		Entry Level	%	4%		
		Mid Level	%	24%		
		Senior Level	%	11%		
		Executives	%	3%		
	S11.2) Direct and indirect local job creation	Direct Hire	Total Count	63		
		Indirect Hire	Total Count	0		
S12. Community Investment	S12) Amount invested in the community (CSR), as a percentage of company revenues.	Describe the allocation of the funds for respective initiatives	%	Tabreed invested 0.05% of the company revenue towards the community in 2021.		SDG 8: Decent Work and Economic Growth

Governance Disclosure	Indicators	Sub-Indicators	Measurement Unit/ Type of Answer	Tabreed 2021 Data	Corresponding GRI Standards	SDGs
G1. Board Diversity	G1.1) Percentage: Total board seats occupied by men & women	Men	%	89%	GRI 405: Diversity and Equal Opportunity	SDG 10: Reduced Inequalities
		Women	%	11%		
	G1.2) Percentage: Committee chairs occupied by men & women	Men	%	82%		
		Women	%	18%		
G2. Board Independence	G2.1) Does the company prohibit the CEO from serving as board chair?		Yes/No	Yes	GRI 102: General Disclosures 2016	
	G2.2) Percentage: Total board seats occupied by independent board members		%	89%		
G3. Incentivized Pay	G3.1) Are executives formally incentivized to perform on sustainability? If Yes, please provide any supporting documents		Yes/No	Yes, Executives' performance is managed by the Board through a Balanced scorecard that includes ESG factors and targets, alongside financial and commercial targets. The scorecard is agreed with the Nomination & Remuneration Committee, and performance against the targets is reviewed by the Board on a quarterly basis.	GRI 102: General Disclosures 2016	
G4. Collective Bargaining	G4.1) Percentage: Total enterprise headcount covered by collective bargaining agreement(s) *Applicable to companies operating in countries in which collective bargaining is applicable by law		%	Collective bargaining is not permitted within the UAE.	GRI 102: General Disclosures 2016	SDG 10: Reduced Inequalities
G5. Supplier Code of Conduct	G5.1) Are your vendors or suppliers required to follow a Code of Conduct?		Yes/No	Yes. Tabreed's Supplier Code of Conduct is attached. Please refer Annex 4		
	G5.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?		%	The Supplier's Code of Conduct is currently shared with suppliers but not formally certified against. We are currently updating the supplier registration process to be run via SAP, at which point it will be a requirement to commit to compliance.	GRI 102: General Disclosures 2016 GRI 103: Management Approach 2016	SDG 12: Responsible Consumption and Production
G6. Ethics & Anti-corruption	G6.1) Does your company follow an Ethics and/or Prevention of Corruption policy?		Yes/No	Tabreed's Employee Code of Conduct (Annex 5) deals with ethics and prevention of corruption, while Market Conduct & Securities Trading Policy (Annex 6) deals with share trading. A draft Ethics policy is currently in draft version and we are seeking approval from the management.	GRI 102: General Disclosures 2016 GRI 103: Management Approach 2016	SDG 16: Peace, Justice and Strong Institutions
	G6.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?		%	2021 Annual Declarations against Code of Conduct was completed by 92% of Tabreed employees with no relevant issues of live concern identified. Please refer to the summary of 2021. The 2022 Annual Declarations process will be launched in February 2022 to be completed in March 2022.		
G7. Data Privacy	G7.1) Does your company follow a Data Privacy policy?		Yes/No	Yes. Please refer to Tabreed's Data Privacy policy available on our customer website. https://tasleem.ae/website-terms-conditions/	GRI 103: Management Approach 2016	
	G7.2) Has your company taken steps to comply with GDPR rules?		Yes/No	GDPR is not applicable to Tabreed's business but new UAE Data Rules were introduced in December 2021 and the company is working towards compliance in 2022 within the legislative grace period.		

Governance Disclosure	Indicators	Sub-Indicators	Measurement Unit/ Type of Answer	Tabreed 2021 Data	Corresponding GRI Standards	SDGs
G8. Sustainability Reporting	G8.1) Does your company publish a sustainability report?		Yes/No	Yes. The ESG Report 2021 due to be published in 2022 is Tabreed's second sustainability report.		
	G8.2) Is sustainability data included in your regulatory filings?		Yes/No	Yes. Tabreed submits the annual ESG Report to Securities and Commodities Authority (SCA). The report encompasses the sustainability disclosures across our operations and processes.		
G9. Disclosure Practises	G9.1) Does your company provide reporting frameworks?		Yes/No	Yes, Tabreed's ESG Report is in compliance with SCA regulations. The report is also in reference with the GRI Standards and corresponds to specific SDGs alignments.		
	G9.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)?		Yes/No	Yes, Tabreed's sustainability efforts in various areas across different departments contribute to SDG 1, 3-13, 16, 17.		
	G9.3) Does your company set targets and report progress on the UN SDGs?		Yes/No	Yes, Tabreed's existing projects are in-line with the growing demand in the market for contributing to the UN SDGs. Some of our key projects include, Treated Sewage Effluent (TSE) for recycling sewage water, which would otherwise be discharged into the environment to replace potable water. Thermal energy storage (TES) systems enhance Tabreed's ability to manage peaks in district cooling demand and bridge the gap between energy supply and demand. Tabreed is consistently involved in determining the areas to improve on and find innovative methods/technologies through its Research & Development department.		
G10. External Assurance	Are your sustainability disclosures assured or validated by a third-party?		Yes/No	Tabreed has chosen NOT to seek external assurance for the ESG Report 2021. However, we have followed an internal assurance process.	GRI 102: General Disclosures 2016	

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