National Central Cooling Company PJSC

(DFM:TABREED)

Q4 2017 and Full Year Earnings Presentation

31 January 2018

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Agenda

1. Introduction and Performance Highlights

2. Financial Results

3. Conclusion

1. Introduction and Performance Highlights

Performance Highlights

Financial Highlights: 2017 vs. 2016

Total Revenue	Chilled Water	EBITDA	Net Profit	Proposed Dividend
AED 1,399m	AED 1,317m	AED 628m	AED 400m	8.0 fils
+9%	+13%	+8%	+9%	+1.5 fils

Operational Highlights and Developments

Performance Highlights

- Capacity additions, higher consumption volumes and utility pass through resulted in continued strong Chilled Water revenue growth
- Announced 60k RT of capacity additions by end of 2018; 44k RT added during the 2017
- Revised capacity guidance to 65k RT to be added over 2018 and 2019

Dividend Policy

- Dividend of 8.0 fils per share, an increase of 1.5 fils over 2016. Reflects coupon savings on MCBs conversion
- Target to grow dividend per share in line with growth of the business

Other Developments

- Mubadala converted all of its Mandatory Convertible Bonds (MCBs) and retained 42% equity interest
- Simultaneously, ENGIE – a multinational energy leader – acquired 40% of Tabreed
- Four new Board Members joined Tabreed's Board; Two experienced ex-ENGIE executives joined Tabreed management team as Chief Operating Officer and Chief Development Officer
- Tabreed stock was certified Shari'a compliant

Committed to adding value to shareholders – Proposed dividend of 8.0 fils, up from 6.5 fils in 2016

Tabreed at a Glance

One of the world's largest district cooling companies

72 plants in 5 countries

Approaching **1.1m RT** delivered to clients

Equivalent to cooling **109** towers the size of Burj Khalifa

Environmentally responsible operations reducing green house gas emissions

1.53 billion kWh annual reduction in energy consumption in the GCC through Tabreed's DC services in 2017

=

Enough energy to power **51,000** homes in the UAE every year

768,000 tons annual elimination of CO_2 emissions

=

The equivalent of removing **153,600** cars from our streets every year

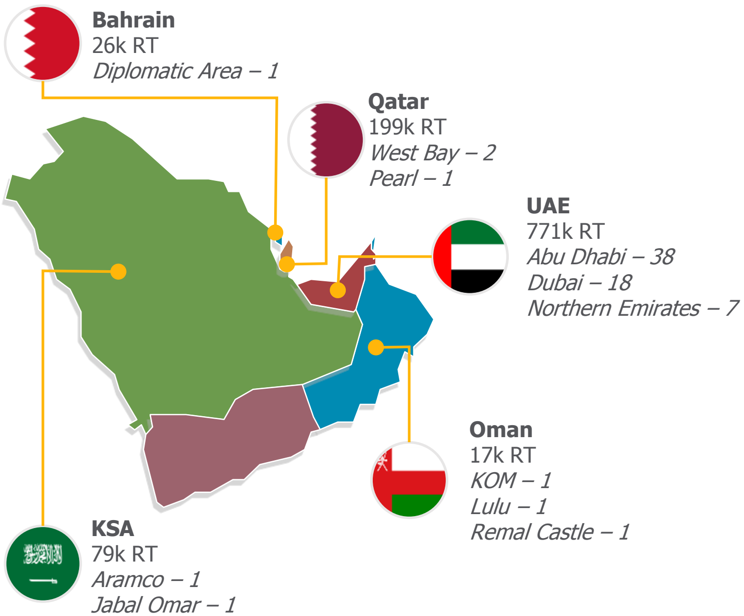
Serving iconic projects across the region

- Cleveland Clinic Abu Dhabi
- Dubai Parks and Resorts
- Dubai Metro
- Sheikh Zayed Grand Mosque
- Etihad Towers
- Jabal Omar Project

Regional Presence

The only publicly listed district cooling company in the world

- 5 GCC countries | 72 plants | 1.1m tons of cooling
- Uniform utility infrastructure model implemented across GCC
- Long term contracts underpinning stability of earnings and returns for shareholders



National Central Cooling Company and its UAE investments

- 59 consolidated plants, 4 held through associates and joint ventures
- Plants in 6 emirates of the UAE - Abu Dhabi, Dubai, Ajman, RAK, Sharjah and Fujairah
- 771k RT delivered to clients including some of UAE's most prominent landmarks

Landmark Projects: Dubai Metro, Dubai Parks and Resorts, Sheikh Zayed Grand Mosque, Yas Island, Al Maryah Island

Qatar District Cooling Company (Tabreed 44%)

- Joint Venture with United Development Company
- Owns and operates the world's largest DC plant on The Pearl with connected capacity of 112k RT
- Also owns and operates 2 DC plants and a concession in Qatar's West Bay (87k RT)

Landmark Projects: The Pearl – Qatar, West Bay

Saudi Tabreed District Cooling Company (Tabreed 25%)

- Partnership with ACWA Holding and others
- Owns and operates first significant DC plant in KSA – Saudi Aramco (34k RT)
- Also owns and operates a DC plant in the Holy City of Mecca for Jabal Omar Development Co. (45k RT)
- Operates the DC plant servicing the landmark King Abdulla Financial District (KAFD) development (50k RT)

Landmark Projects: Saudi Aramco, Jabal Omar Development

Bahrain District Cooling Company (Tabreed 90%)

- Owns and operates 1 DC plant (26k RT)
- Plant runs using sea water to provide cooling to the most prestigious developments in Bahrain

Landmark Projects: Reef Island, Financial Harbour, World Trade Centre

Tabreed Oman (Tabreed 60%)

- A partnership between Tabreed and prominent Omani pension funds
- Owns and operates 3 plants serving Knowledge Oasis Muscat, Oman Avenues Mall and Remal Castle

Landmark Projects: Knowledge Oasis Muscat and Oman Avenues Mall

Connected Capacity

- Tabreed previously announced **60k RT** of capacity additions across the GCC by end of 2018
- Of this, **44k RT** of new capacity already added during full year 2017
- Revised capacity guidance of **65k RT** to be added in 2018 and 2019

Consolidated	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
UAE	657	661	667	668	668
Bahrain	23	23	26	26	26
Oman	14	14	16	17	17
Total Consolidated	**694**	**698**	**709**	**711**	**712**

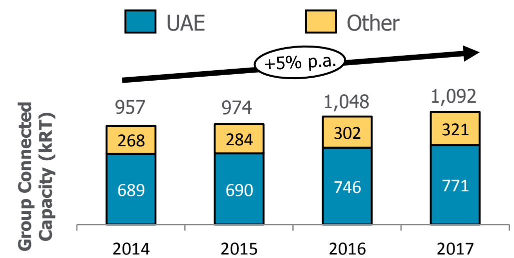
Equity Accounted	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
UAE	89	101	103	103	103
Qatar	188	192	196	196	199
KSA	77	77	77	77	79
Total Equity Accounted	**354**	**370**	**375**	**375**	**381**
Total	**1,048**	**1,068**	**1,084**	**1,087**	**1,092**

Target for 2017 and 2018: 60k RT
Added during 2017: 44k RT

2017 Headline Performance

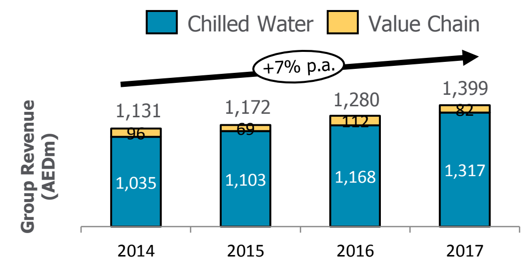
Long-term contracts with credit worthy customers

- Providing almost 1.1m RT of cooling across GCC – growing 5% annually since 2014
- Long term contracts (~25 years) mean over 95% of contracted capacity locked in for at least the next 10 years
- Approaching 50% of UAE capacity contracted with Government customers



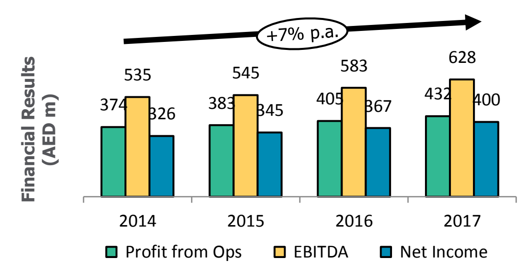
Revenue growth from existing and new business

- Total Group Revenue up 9% in 2017, reaching AED 1,399m, driven by new capacity additions, utility pass through and CPI; 7% CAGR since 2014
- Utility business model leads to steady increases in revenue and profitability from existing customers



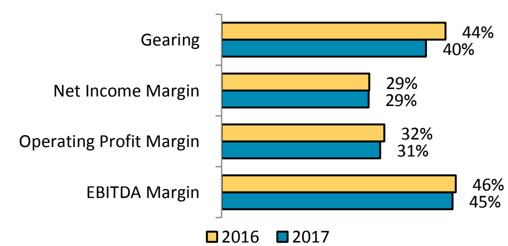
Solid financial performance

- Predictability in earnings driven by capacity charge
- Net income and EBITDA have grown at 7% and 6% annually since 2014



Value to shareholders

- EBITDA margin of 45% and sustained over recent years
- EPS up 9% during 2017 driven by chilled water business
- Proposed dividend of 8.0 fils, up from 6.5 fils in 2016



2. Financial Results

2017 Income Statement

Consolidated Financials (AED m)	2017	2016	*Variance*	*%*
Revenue	1,399	1,280	*120*	*9%*
Chilled water revenue (94%)	1,317	1,168	*149*	*13%*
Value chain businesses (6%)	82	112	*-30*	*-27%*
Operating cost	(772)	(682)	*-90*	*13%*
Gross Profit	**628**	**598**	***30***	***5%***
Gross profit margin	45%	47%		
Administrative and other expenses	(196)	(193)	*-3*	*2%*
Profit from Operations	**432**	**405**	***27***	***7%***
Operating profit margin	31%	32%		
Net finance costs	(161)	(156)	*-6*	*4%*
Other gains and losses	2	5	*-3*	*-53%*
Share of results of associates and joint ventures	129	117	*12*	*10%*
Income attributable to non-controlling interests	(2)	(4)	*3*	*-61%*
Net Profit	**400**	**367**	***33***	***9%***
Net profit margin	29%	29%		
EBITDA	**628**	**583**	***45***	***8%***
EBITDA margin	45%	46%		

Key Observations

- Total Revenue growth of 9% driven by Chilled Water (+13%) capacity additions, consumption volume growth, CPI, and utility pass through
- Higher finance costs primarily reflect increase in EIBOR rates and full year impact of project financing for Dubai Parks and Nation Towers
- Associates and JVs continue to perform well with a 10% increase in share of results

Strong Chilled Water business driving overall performance; Stable utility infrastructure model with EBITDA margins of 45%

2017 Financial Position

Consolidated Financials (AED m)	Dec 31, 2017	Dec 31, 2016	Variance	%
Fixed Assets	6,874	6,977	*(103)*	*-1%*
Associates and Joint Ventures	826	826	*0*	*0%*
Accounts Receivable	517	409	*108*	*26%*
Cash and Short Term Deposits	418	390	*28*	*7%*
Other Assets	61	60	*1*	*0%*
Total Assets	**8,696**	**8,661**	***34***	***0%***
Equity and Reserves	4,797	2,666	*2,131*	*80%*
Mandatory Convertible Bonds – equity portion	-	1,772	*(1,772)*	*-100%*
Debt	3,169	3,424	*(255)*	*-7%*
Other Liabilities	730	799	*(69)*	*-9%*
Total Liabilities and Equity	**8,696**	**8,661**	***34***	***0%***

Key Observations

- Increase in accounts receivables primarily due to short term timing delays in customer collection
- Increase in equity reflects the conversion of Mandatory Convertible Bonds (MCBs)
- Lower Debt primarily due to MCBs conversion

Robust Balance Sheet optimally positions Tabreed to capitalize on future growth opportunities

2017 Cash Flow Statement

Consolidated Financials (AED m)	2017	2016	*Variance*	*%*
Profit from Operations	**432**	**405**	***27***	*7%*
Finance lease amortization	56	48	*7*	*15%*
Depreciation	140	129	*11*	*8%*
Working Capital and Other adjustments	(73)	(30)	*(43)*	*146%*
Net cash flows from Operating Activities	**555**	**554**	***2***	*0%*
Capital expenditure incurred	(198)	(196)	*(2)*	*1%*
Investments in JVs	-	(92)	*92*	*-100%*
Dividends and interest income received	123	76	*46*	*61%*
Proceeds from land sale in Oman	-	11	*(11)*	*-100%*
Net cash flows from Investing Activities	**(74)**	**(200)**	***126***	*-63%*
Loans drawn down and principal repayments (net)	(67)	217	*(283)*	*-131%*
Interest payments	(144)	(122)	*(22)*	*18%*
MCB cash coupon paid	(43)	(86)	*43*	*-50%*
Others	(199)	(166)	*(33)*	*20%*
Net cash flows from Financing Activities	**(453)**	**(157)**	***(295)***	*188%*
Net Movement in Cash and Cash Equivalents	**28**	**197**	***(169)***	*-86%*
Cash and Cash Equivalents at the start of the period	390	193	*197*	*102%*
Cash and Cash Equivalents at 31 December	**418**	**390**	***28***	*7%*

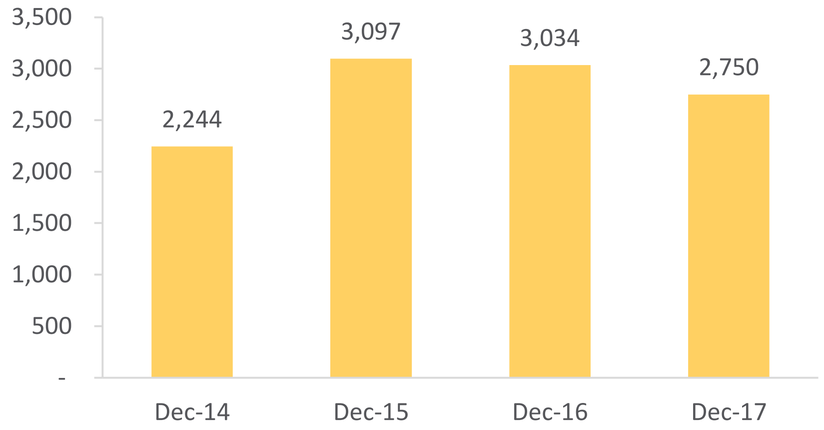
Key Observations

- Operating cash generation remains strong due to higher profitability
- Capital expenditure included AED 100m paid to ICT for the acquisition of Nation Towers plant
- Higher interest payments due to increase in EIBOR rates and full year impact of project financing for Dubai Parks and Nation Towers
- Healthy cash balance of AED 418m at the end of 2017

Strong cash flow generation from long term price certain contracts enabling investment in growth

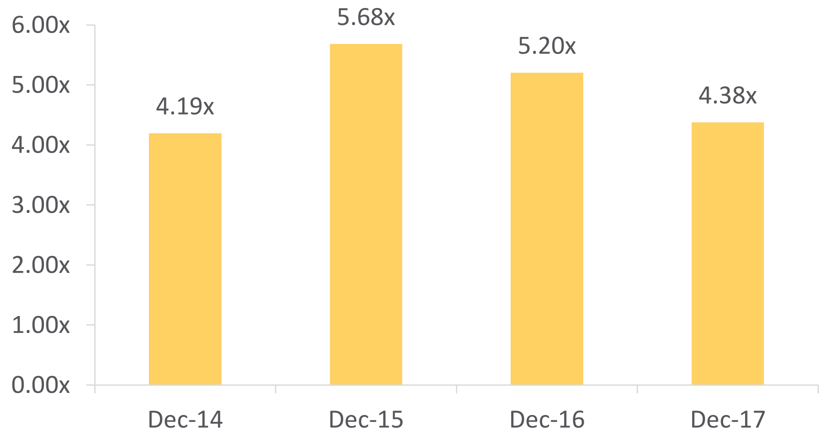
Debt Portfolio

Net Debt Profile (AED m)

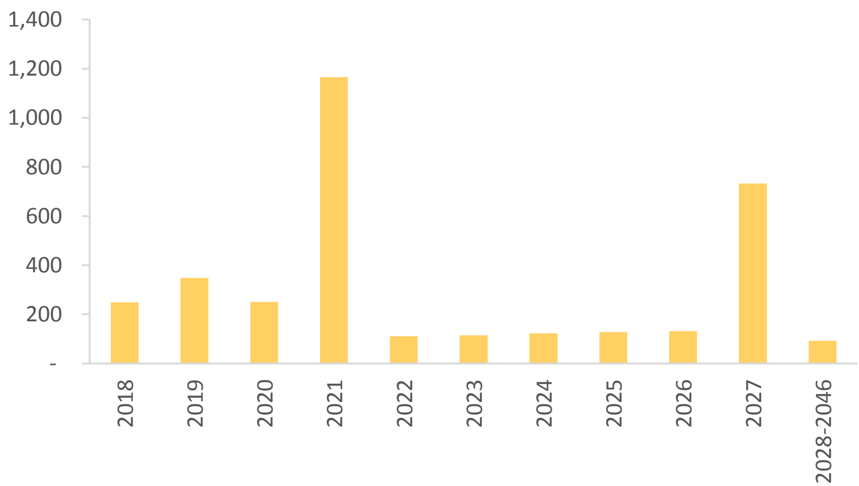


- Conservative leverage profile with current gearing of 40% (debt to debt + equity)
- 95% of debt is denominated in AED, with the balance in USD and OMR, in line with cash flow generation profile
- Target hedging range of 50-75%
  - Currently 57% of the total debt is hedged into fixed rate

Net Debt to EBITDA (x)



Debt Maturity Profile (AED m)



3. Conclusion

Unique GCC-wide Infrastructure Assets Company

Why District Cooling?	• District Cooling is a critical part of the growing GCC infrastructure • District Cooling is 50% more efficient in consuming electricity than conventional cooling reducing energy consumption, carbon footprint, and state subsidies while also being 16% cheaper for the customer
Why Tabreed?	• One of the largest district cooling companies in the world with experienced management team • 20 years of excellent operational performance, on-time delivery of projects and expertise in financing DC assets • Relationships with Government and key real estate developers across the region • A strong shareholder base with Mubadala and ENGIE providing support to operations and growth • Shari'a complaint status to Tabreed stock could potentially enhance liquidity and shareholder base
Robust Financial Results	• Sustainable, stable and predictable results, low operating risk business model with strong margins • Net income and EBITDA growth of 7% and 6% annually since 2014, driven by capacity additions and CPI pass through • Stable utility infrastructure business model enables consistent YTD performance with ~45% EBITDA margins
Seeking and investing in opportunities across GCC	• Focus on stable Chilled Water leading to enhanced value from existing plants and increasing operational efficiencies • Seeking and investing in organic and inorganic projects across the GCC • De-risking projects by using "take or pay" fixed date contracts and ring-fenced project financing
Track record of delivering capacity growth	• 131k RT capacity added since 2014 • 60k RT of signed up capacity additions expected by the end of 2018, 44k RT delivered in 2017 • Regional footprint allows access to varied growth opportunities • Operational track record, customer relationships and financial strength to benefit from growth in the region

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Management looks forward to engaging with shareholders and investors at the following events

EFG - The 14th Annual One on One Conference, Dubai	5 March – 7 March 2018
First quarter earnings call	End of April 2018
Second quarter earnings call	End of July 2018
Third quarter earnings call	End of October 2018
Arqaam Investors Conference	November 2018

Appendices

Stable Core Business Model Delivering Consistent Performance

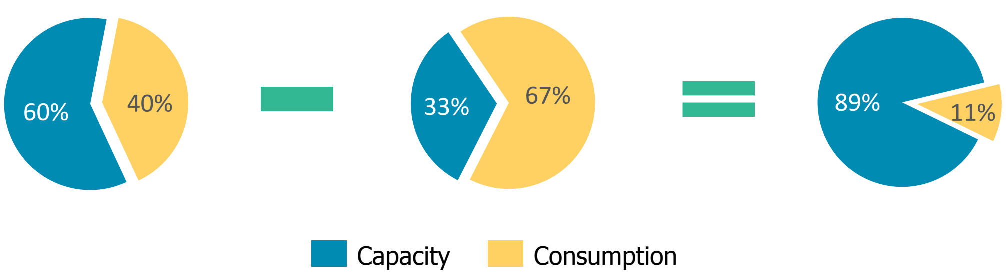
2017 Profit Statement (% of revenue)

Chilled Water	Capacity (fixed)	Consumption (variable)	Total
Revenue, net of amortization	**60**	**40**	**100**
Utility Costs		(35)	(35)
Plant operation & maintenance	(11)		(11)
Depreciation	(9)		(9)
Gross Profit	**40**	**5**	**45**
Corporate overheads	(13)		(13)
Profit from Operations	**27**	**5**	**32**
Add: Depreciation & amortisation	14		14
EBITDA	**42**	**5**	**47**
EBITDA Margin	***69%***	***13%***	***47%***

60% of the revenue is fixed

Only 33% of the cost is against fixed revenue, rest is passed through

Hence, 89% of the EBITDA is from capacity revenue



Billing structure and profitability

- Tabreed bills customers for capacity (fixed) charges and consumption (variable) charges
- Capacity charges reflect the cooling capacity (in RT) reserved for the customer and are generally fixed, subject to escalation based on country CPI every year
- Consumption charges recover the cost of cooling consumed. Contractually, any change in variable cost is generally passed through to the customers
- Tabreed's EBITDA is driven by capacity charges allowing recovery of plant operation cost, corporate overheads and providing a strong return on capital invested