National Central Cooling Company PJSC
(DFM: TABREED)

Q1 2021 Earnings Presentation

9 May 2021

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Agenda

01

Tabreed new branding

Our Brand

Our Purpose

To be an essential driver of progress for people, places, societies and environments around the world.

Why do we need a new brand now?

- To tell a story that is reflective of our new business trajectory
- To be united and guided by a single purpose as we deliver on our vision
- To clarify a role beyond industry and geography
- To show partnership by elevating the benefits of what we do

The shift

Regional	Global relevance born from local expertise	Global
Cooling	A big idea that resonates across	Energy
Services	A partner that can play any role	Development/ Operations
One brand	A single brand, adapted for different scenarios	Many

Our identity

Our values

Progress

Moving forward, amplifying, impact

Partnership

Stronger together, inside and out

Performance

Solid commitments deliver greater achievements

Our principles

Driven

Dynamic

Dedicated

Communications plan

Phase 1 .... Brand Launch

Phase 2 .... Internal Brand Rollout

Phase 3 .... External Brand Rollout

02

Business Updates and Performance Highlights

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Tabreed at a Glance

Financial Highlights: Q1 2021 vs. Q1 2020

Total Revenue	Chilled Water Revenue	EBITDA	Net Income
AED 358m	AED 339m	AED 227m	AED 86m
+21.5%	+22.3%	+27.3%	+4.0%

Performance Highlights and Other Developments

Performance Highlights

- Total Revenue increased by 21.5%. Chilled Water revenue grew 22.3%
- EBITDA increased by 27.3% to AED 227m and EBITDA margins increased from 61% in Q1 2020 to 63% in Q1 2021
- Net Income increased by 4.0% to AED 86m
- Previously announced capacity guidance to add 120,000 RT over 2021 and 2022

Other Developments

- Completed acquisition of Saadiyat Island DC Cooling assets
- Announced establishing a district energy investment platform in Singapore with IFC that will invest in district cooling, trigeneration and cooling as a service offering with primary focus on India followed by other South-East Asian countries
- Published its first ESG report in March 2021
- Unveiled its all-new branding and corporate identity, ushering in an exciting new chapter in the story of one of the country’s most promising companies

Tabreed at a Glance

One of the world's largest district cooling companies

86
plants in 5 countries

1.40m RT
delivered to clients

Equivalent to cooling
140
towers the size of Burj Khalifa

Environmentally responsible operations reducing green house gas emissions

2.26 billion kWh
annual reduction in energy consumption in the GCC through Tabreed's DC services in 2020

=

Enough energy to power
128,443
homes in the GCC every year

1.35 million tons
annual elimination of CO_2 emissions

=

The equivalent of removing
293,192
cars from our streets every year

Exclusive provider of DC services to several iconic projects

Burj Khalifa
Cleveland Clinic Abu Dhabi
Yas Mall
Dubai Metro
Sheikh Zayed Grand Mosque
Etihad Towers
World Trade Center
Ferrari World
Aldar HQ

Strong Regional presence

- Largest publicly listed district cooling provider in the region
- Currently present in the UAE, Saudi Arabia, Qatar, Oman and Bahrain
- Significant growth achieved in 2020 with potential for further expansion in new geographies

Connected Capacity (kRT)

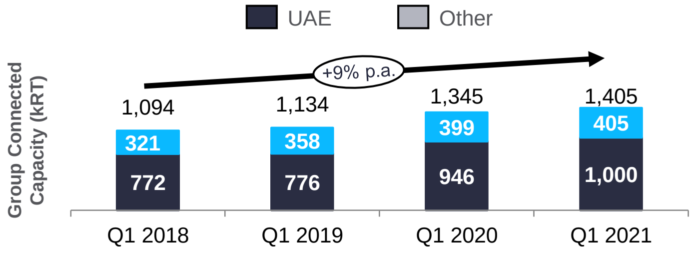
Consolidated	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
UAE	875	876	882	928	928
Bahrain	32	32	32	32	32
Oman	32	32	32	32	33
Total Consolidated	**940**	**940**	**947**	**992**	**993**
Equity Accounted					
UAE	71	71	71	71	71
Qatar	224	224	224	230	230
KSA	110	110	110	110	110
Total Equity Accounted	**406**	**406**	**406**	**411**	**411**
Total	**1,345**	**1,346**	**1,352**	**1,404**	**1,405**

- Capacity guided for 2020 and 2021 was 75k RT
- Announced capacity guidance of 120k RT of organic growth to be added over 2021 and 2022 with an expected split between consolidated level and equity accounted joint ventures to be 80:20

Headline Performance

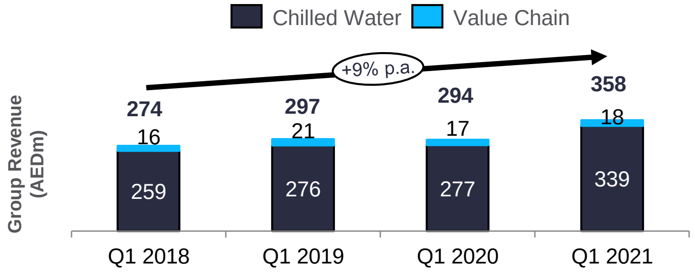
1 Long-term contracts with credit worthy customers

- Providing over 1.40m RT of cooling across GCC – grown at 9% 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



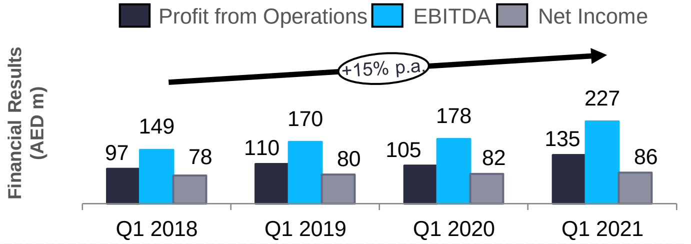
2 Revenue growth from existing and new business

- Group revenue growing at 9% CAGR since 2018 driven by Chilled Water revenue growth of 9%
- Utility business model leads to steady increases in revenue and profitability from existing customers
- Added over 190k RT of capacity through acquisitions in 2020. These acquisitions have additional concession capacity



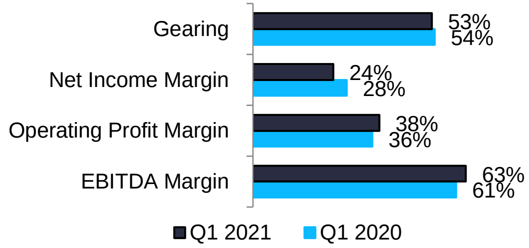
3 Solid financial performance

- Predictability in earnings driven by capacity charge
- Profit from operations growing at 12% CAGR since 2018
- EBITDA has grown 15% annually since 2018



4 Value to shareholders

- EBITDA margin of 63%
- Strong balance sheet
- Stable cash flow generation
- Dividend of 11.5 fils (cash + equity value), up from 10.5 fils in 2019



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Financial Results

Income Statement

Consolidated Financials (AED m)	Q1 2021	Q1 2020	*Variance*	%
Revenue	**358**	**294**	**63**	***21.5%***
Chilled water revenue (95%)	339	277	62	*22.3%*
Value chain businesses (5%)	18	17	1	*7.8%*
Operating cost	(170)	(131)	(38)	*29.3%*
Gross Profit	**188**	**163**	**25**	*15.2%*
Gross profit margin	*53%*	*55%*		
Administrative and other expenses	(53)	(58)	5.0	*(8.5)%*
Profit from Operations	**135**	**105**	**30**	*28.4%*
Operating profit margin	*38%*	*36%*		
Net finance costs	(61)	(42)	(19)	*44.8%*
Share of results of associates and joint ventures	12	14	(2)	*(11.8)%*
Other gains and losses	(2)	1	(4)	
Income attributable to non-controlling interests	(5)	(1)	(3)	
Profit from discontinuing operations	7	6	1	*25.8%*
Net Income	**86**	**82**	**3**	*4.0%*
Net Income margin	*24%*	*28%*		
EBITDA	**227**	**178**	**49**	*27.3%*
EBITDA margin	*63%*	*61%*		

Key Observations

- Increase in revenue primarily driven by robust performance of Chilled Water business, offset to some extent due to underperformance of Value Chain business
- Chilled Water business growth driven by consolidation of Downtown DCP, Masdar and Saadiyat Island DC assets
- Administrative and other expenses reduction driven by savings in G&A
- EBITDA growth primarily driven by consolidation of acquisitions from 2020
- Higher finance cost due to new loans to fund acquisitions, partly offset by hedging and lower interest rates compared to last year
- Share of associates & JV down due to higher one-off gain in the previous year

Financial Position

Consolidated Financials (AED m)	Mar 31, 2021	Dec 31, 2020	*Variance*	*%*
Fixed Assets	8,269	8,011	259	3%
Intangibles	2,980	2,360	620	26%
Associates and Joint Ventures	387	358	29	8%
Accounts Receivable	964	899	66	7%
Cash and Short-Term Deposits	745	1,313	(568)	(43%)
Other Assets	45	42	3	7%
Assets Held for Sale	337	330	7	2%
Total Assets	**13,728**	**13,313**	**415**	**3%**
Equity and Reserves	5,853	5,875	(23)	0%
Debt	6,678	6,691	(12)	0%
Other Liabilities	1,197	747	450	60%
Total Liabilities and Equity	**13,728**	**13,313**	**415**	**3%**

Key Observations

- Increase in Fixed Assets represent additions of AED 215 million for Saadiyat Island DC assets
- Intangible Assets include customer contracts of AED 2,928 million related to Downtown DCP, Saadiyat Island and Masdar DC assets
- DSO's have remained consistent with the year end and the increase in receivables broadly reflects the growth of the business
- The majority of the receivables are due from 100% owned UAE Government entities and we anticipate full settlement in due course
- Movement of cash balances reflect partial payment for Saadiyat cooling concession

Cash Flow Statement

Consolidated Financials (AED m)	Q1 2021	Q1 2020	*Variance*	*%*
Profit from Operations	**135**	**105**	**30**	**28%**
Finance lease amortization	29	30	0	-1%
Depreciation and Amortization	63	43	20	46%
Working Capital and other adjustments	(58)	(128)	71	(55%)
Net cash flows from Operating Activities	**169**	**49**	***120***	***243%***
Capital expenditure incurred	(687)	(54)	*(633)*	*1172%*
Term Deposits	(50)	-	*(50)*	*100%*
Dividends and interest income received	7	3	*4*	*133%*
Net cash flows from Investing Activities	**(730)**	**(51)**	***(679)***	***1331%***
Debt servicing	(24)	2,494	*(2,518)*	*100%*
Dividend Paid	(21)	(0)	*(20)*	*100%*
Others	(13)	(14)	*1*	*7%*
Net cash flows from Financing Activities	**(58)**	**2,480**	***(2,538)***	***102%***
Net Movement in Cash and Cash Equivalents	**(618)**	**2,479**	***(3,097)***	*(125%)*
Cash and Cash Equivalents at the start of the period	1,313	227	*1,086*	*NA*
Cash and Cash Equivalents at the end of the period	**695**	**2,705**	***(2,011)***	***(73%)***

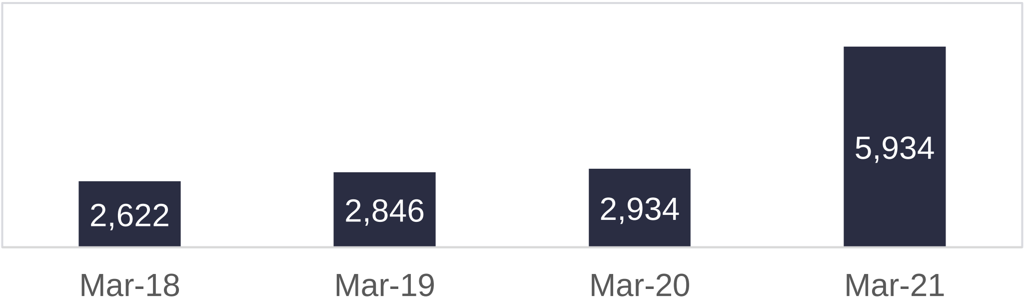
Key Observations

- Improved cash flow from operation primarily driven by consolidation of acquisitions, as well as a stabilization of our DSO's since the year end
- Capex relates to consolidation of Saadiyat Island DC assets, partially paid for in the quarter
- Tabreed maintains strong liquidity with significant closing cash balances at the end of the period and a revolving credit facility of AED 590 million unused during the period

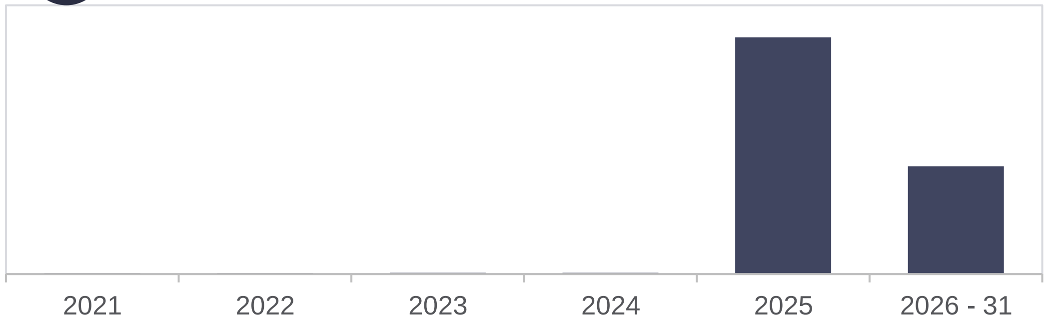
Debt Portfolio and Return Ratios

Investment grade status reaffirmed by both Fitch and Moody’s

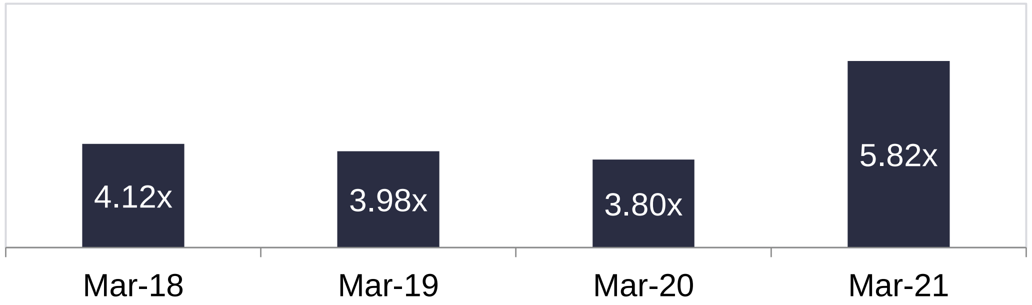
1 **Net Debt Profile (AED m)**



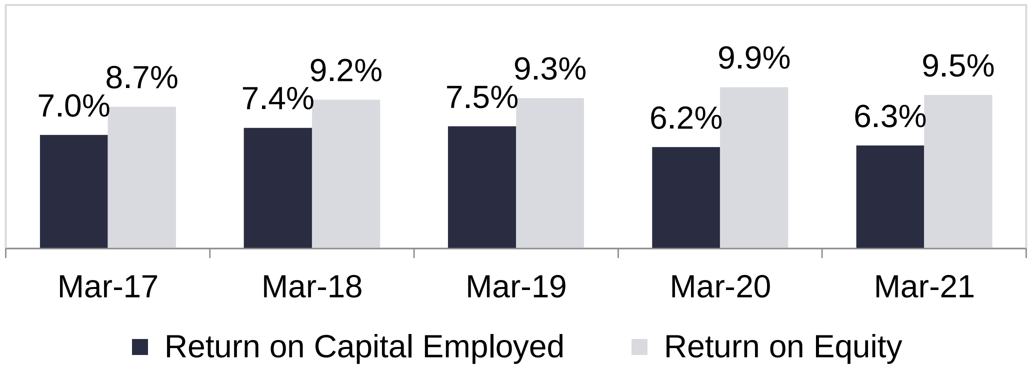
2 **Debt Maturity Profile**



3 **Net Debt to LTM EBITDA**



4 **Return on Capital Employed and Return on Equity**



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Conclusion

Creating sustainable value for stakeholders

- Tabreed published its first ESG report in March 2021
- ESG is embedded in the Group's Business model , strategy and culture
- In 2020, Tabreed displaced over 1.35m metric tons of CO_2 emissions, equivalent to removing 293,192 passenger vehicles off the road
- Despite a challenging year, Tabreed continued to make considerable progress on its business objectives whilst also ensuring the health and safety of its staff across all its operational sites with over 12.5 million man-hours without time lost to injury
- As part of its commitment to encouraging Emiratis to pursue careers in the private sector and empower local talent to flourish, Tabreed's Emiratization current rate stands at 41%, one of the highest rates for a private company in the UAE
- Tabreed maintains the highest standards of corporate governance and we conduct our business with integrity, accountability, and transparency

Commitment to SDGs

ISO Certifications

Key Highlights

Partner of choice across GCC for providing environmentally friendly cooling solutions

Resilient Business Model

- Operational track record of > 20 years
- A utility-like service considering the warm climate of the Middle East
- Long-term partnerships ensures better revenue and cashflow visibility
- The pass-through clauses in most of Tabreed's contracts limit its exposure to fluctuations in the cost of utilities

Capacity Growth

- One of the world's largest district cooling companies providing over 1.4m kRT of cooling across the GCC
- Added over 180k RT in 2020 through acquisition of Downtown DCP, Masdar and Saadiyat Island DC assets,
- All acquisitions have additional concession capacity to augment future growth
- Guided 120k RT of organic growth over 2021 and 2022

Robust Financial Performance

- Revenue and EBITDA growing at a 2016-2020 CAGR of 8% and 14%, respectively
- Consistent focus on increasing efficiency has resulted in margin enhancement to 56% in 2020 compared to 46% in 2016
- Committed to returning value to shareholders, maintained dividend payout

Resilient Business Model

- Established a district energy investment platform in Singapore with IFC that will invest in district cooling in India and other South East Asian countries
- Developing and connecting Masdar and Tabreed infrastructure to help increase operating synergies
- Energy Services established strategic partnership with ADCP to Promote Energy Conservation

Strong Cash Flow Visibility

- Long-term partnerships with government-backed entities representing approximately 70% of consolidated chilled water revenue in 2020
- Focus on B2B contracts with businesses and government entities reducing counterparty credit and collection risk
- Cash flow predictability due to long term contracts

Solid Corporate Governance

- Listed on the DFM with strong corporate governance driven by Mubadala and ENGIE board members
- Highly experienced management team driving operational excellence
- Part of DFM's UAE ESG Index, aimed to measure ESG best practices followed by UAE listed companies

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