National Central Cooling Company PJSC
(DFM: TABREED)

H1 2022

Earnings Presentation

27 July 2022

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Business Updates and Performance Highlights

H1 2022 Highlights

Financial Highlights: 6M 2022 vs. 6M 2021

Total Revenue	Chilled Water Revenue	EBITDA	Net Income
AED 976m	AED 947m	AED 589m	AED 240m
+12.3%	+13.7%	+13.8%	+3%

Performance Highlights and Other Developments

Key Highlights

- Total Revenue increased by 12.3%. Chilled Water revenue grew 13.7%. The increase is attributable to 2021 acquisitions
- EBITDA increased by 13.8% to AED 589m with EBITDA margins of 60.4% in H1 2022, consistent with same period last year
- Net Income increased by 3% to AED 240m, reflecting strong performance and increase in Shareholders' value
- Added 32k RT in H1 2022; including 18k RT with acquisition of Al Mouj DC assets in Oman during Q1 2022
- Announced capacity guidance to add 120,000 RT over 2022 and 2023 of which 32k RT has been delivered in H1 2022
- Strategic divestment in non-core VCB business Ian Banham & Associates (IBA) for AED 5 Million

Tabreed at a Glance

One of the world's largest district cooling companies

86
plants in 4 countries

1.24m RT
delivered to clients

Equivalent to cooling
124
towers the size of Burj Khalifa

Environmentally responsible operations reducing green house gas emissions*

2.21 billion kWh
reduction in energy consumption in the GCC through Tabreed's DC services

=

Enough energy to power
125,948
homes in the GCC every year

1.32 million tons
elimination
of CO_2 emissions

=

The equivalent of removing
287,434
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, Oman and Bahrain
- Continuing to grow and targeting further expansion in new geographies (India and Egypt)

*** Based on LTM Q2 22 figures**

Connected Capacity (kRT)

Consolidated	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
UAE	940	954	1,025	1,033	1,038
Bahrain	33	33	33	34	34
Oman	33	33	33	51	51
Total Consolidated	**1,006**	**1,019**	**1,091**	**1,118**	**1,123**
Equity Accounted					
UAE**	71	74	9	9	9
KSA	110	110	110	110	110
Total Equity Accounted*	**181**	**184**	**119**	**119**	**119**
Total	**1,187**	**1,203**	**1,210**	**1,236**	**1,241**

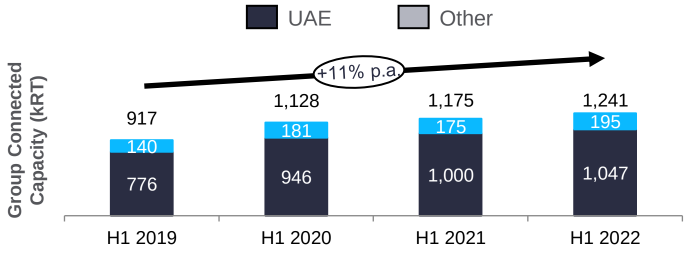
* Prior period capacity adjusted for Qatar Cool divestment

** Reduction in UAE equity accounted connection due to transfer of Al Wajeez DC capacity to consolidated capacity

Headline Performance

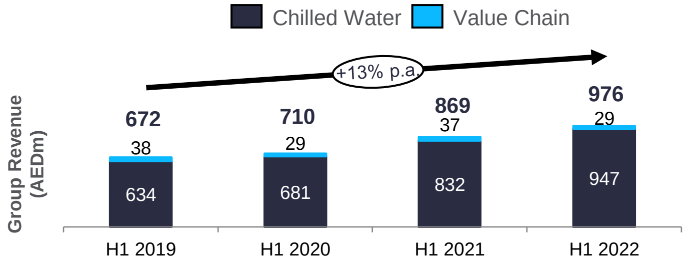
1 Long-term contracts with credit worthy customers

- Providing over 1.24m RT of cooling across GCC – grown at 11% CAGR since 2019
- Long term contracts (~25 years) mean approx. 85% of contracted capacity locked in for at least the next 10 years
- About 70% of revenues from wholly government owned and partially government owned entities, with the addition of 2021 acquisitions



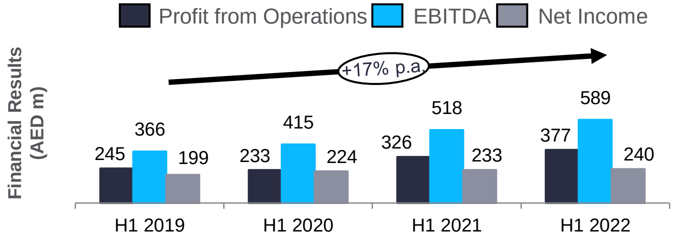
2 Revenue growth from existing and new business

- Group revenue growing at 13% CAGR since 2019 driven by Chilled Water revenue growth of 14%
- Utility business model leads to steady increases in revenue and profitability from existing customers
- Step-up acquisition of Al Maryah Island DC concession resulting in control and consolidation and Al Mouj DC assets concession in Oman during H1 2022



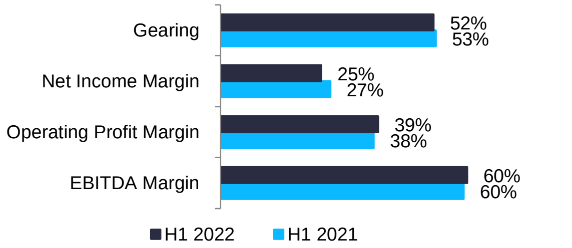
3 Solid financial performance

- Predictability in earnings driven by capacity charge
- Profit from operations growing at 15% CAGR since 2019
- EBITDA has grown 17% annually since 2019



4 Value to shareholders

- EBITDA margin of 60% (2019 – 2022 Average Margin: 58%)
- Operating Profit margin of 39% (2019 – 2022 Average Margin: 36%)
- Net Income margin of 25% (2019 – 2022 Average Margin: 28%) – due to recent debt funded acquisitions
- Strong balance sheet and Stable cash flow generation
- Dividend of 12 fils (cash + bonus shares), in line with the increase in NI



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Financial Results

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Income Statement

Consolidated Financials (AED m)	H1 2022	H1 2021	*Variance*	%
Revenue	975.7	869.0	106.7	12%
Chilled water revenue (97%)	946.5	832.1	114.4	14%
Value chain businesses (3%)	29.2	36.9	(7.7)	(21)%
Operating cost	(472.7)	(428.8)	(43.8)	10%
Gross Profit	**503.0**	**440.2**	**62.9**	**14%**
Gross profit margin	***52%***	*51%*		
Administrative and other expenses	(126.4)	(114.1)	(12.3)	11%
Profit from Operations	**376.6**	**326.0**	**50.6**	**16%**
Operating profit margin	*39%*	*38%*		
Net finance costs	(142.1)	(122.6)	(19.6)	16%
Share of results of associates and joint ventures	18.9	24.9	(6.0)	(24)%
Other gains and losses	1.2	(2.3)	3.4	(150)%
Income attributable to non-controlling interests	(14.1)	(12.3)	(1.8)	14%
Profit from discontinuing operations	-	19.8	(19.8)	
Net Income	**240.4**	**233.5**	**6.9**	**3%**
Net Income margin	*25%*	*27%*		
EBITDA	**589.3**	**517.6**	**71.7**	**14%**
EBITDA margin	***60%***	*60%*		

Key Observations

- Overall, increase in revenue, operating costs and Administrative and other expenses mainly driven by consolidation of step up acquisition of Al Wajeez and full quarter impact of Saadiyat DC assets in Q1 2022
- Increase in net finance cost representing finance cost due to consolidation of Al Wajeez debt on acquisition
- Decline in share of results of associates and JVs is due to consolidation accounting of Al Wajeez results post step up acquisition

Financial Position

Consolidated Financials (AED m)	30 Jun 2022	31 Dec 2021*	*Variance*	*%*
Fixed Assets	**8,141.9**	8,237.0	(95.0)	(1)%
Intangibles	**4,205.1**	4,284.5	(79.3)	(2)%
Associates and Joint Ventures	**396.5**	372.8	23.8	6%
Accounts Receivable	**742.6**	691.0	51.6	7%
Cash and Short-Term Deposits	**1,333.1**	1,197.3	135.9	11%
Derivative – MTM	**191.3**	(14.3)	191.3	-
Other Assets	**53.5**	50.8	2.6	5%
Total Assets	**15,064.1**	**14,819.1**	**230.8**	**2%**
Equity and Reserves	**6,710.9**	6,446.4	264.5	4%
Debt	**7,334.4**	7,361.8	(27.4)	0%
Other Liabilities	**1,018.8**	1,010.9	(6.3)	(1)%
Total Liabilities and Equity	**15,064.1**	**14,819.1**	**230.8**	**2%**

* Comparative financials restated to reflect the impact of MTM on derivatives

Key Observations

- Decrease in intangibles is primarily due to deconsolidation of IBA on investment disposal and amortisation for the period.
- Increase in trade receivables mainly represent seasonality impact, offset by deconsolidation of IBA receivables on Investment disposal
- Increase in MTM of derivative due to interest rate changes
- Equity and Reserves includes issuance of bonus shares of AED 69.3 million on 31 March 2022
- Reduction in Debt represents the scheduled repayments of project finance facility

Cash Flow Statement

Consolidated Financials (AED m)	H1 2022	H1 2021	*Variance*	*%*
Profit from Operations	**376.6**	**326.0**	**50.6**	**16%**
Finance lease amortization	**54.0**	63.2	(9.2)	(15)%
Depreciation and Amortization	**158.7**	128.4	30.3	24%
Working Capital and other adjustments	**8.0**	113.3	(105.3)	(93)%
Net cash flows from Operating Activities	**597.3**	**631.0**	**(33.7)**	**(5)%**
Net cash flows from Investing Activities	**(90.1)**	**(1,067.5)**	**977.4**	**(92)%**
Net cash flows from Financing Activities	**(371.3)**	**(325.0)**	**(46.3)**	**14%**
Net Movement in Cash and Cash Equivalents	**135.9**	(761.6)	897.4	(118)%
Cash and Cash Equivalents at the start of the period	**1,197.3**	1,312.9	(115.6)	(9)%
Cash and Cash Equivalents at the end of the period	**1,333.1**	**551.3**	**781.8**	**142%**

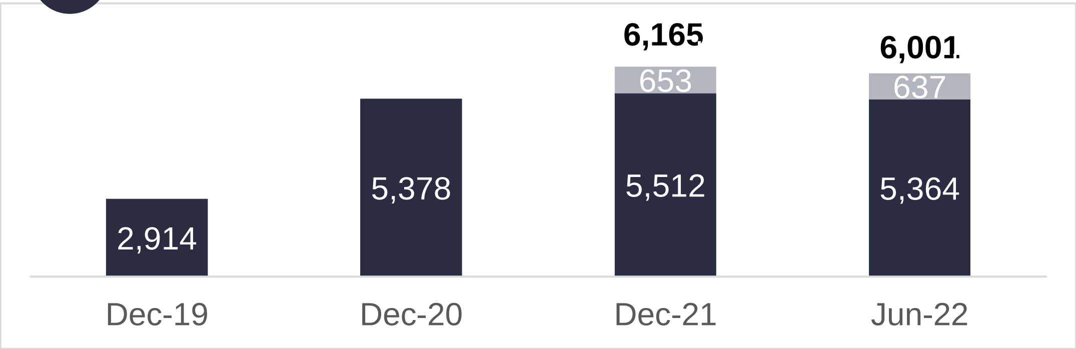
Key Observations

- Cash flow from operations lower than last year as 2021 included a catch-up collections from major customers
- Investing activities mainly represent Capex payments and disposal of IBA, comparative includes payment made towards acquisition of Saadiyat DC assets
- Financing activities mainly represents debt servicing for the period and dividend payment of AED 166 million. The increase over prior year represents Al Wajeez debt consolidation.

Debt Portfolio and Return Ratios

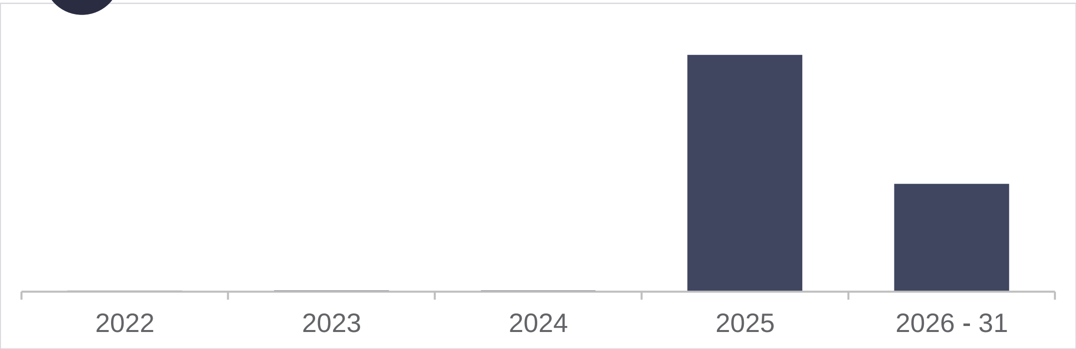
Investment grade status affirmed by both Fitch and Moody's

1 Net Debt* Profile (AED m)

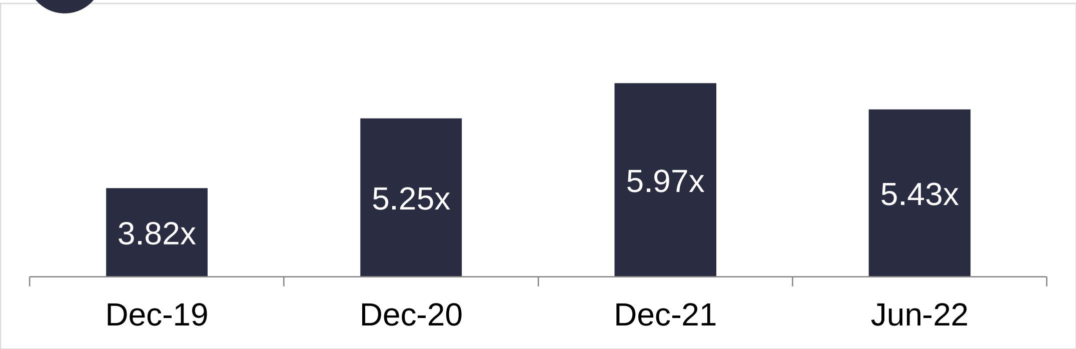


*On account of consolidation of Al Wajeez

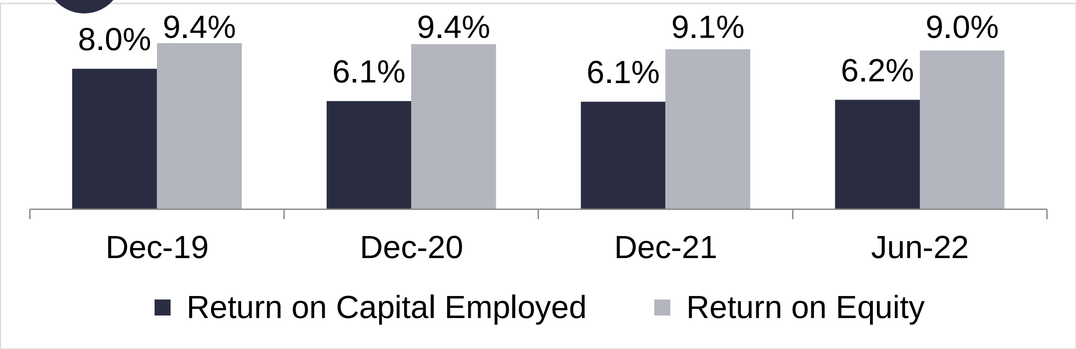
2 Debt Maturity Profile



3 Net Debt* to LTM EBITDA



4 Return on Capital Employed and Return on Equity



* Debt includes Finance Leases liability recognized as per IFRS 16 on ROU Assets (AED 239k as at 30 June 2022)

03

Conclusion

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Environmental Impact

Tabreed has set its own targets to support energy consumption reduction and emission prevention, through innovative technology solutions and environmentally-friendly practices.

Pioneered various innovations

Utilization of TSE[1] water

Pioneering the use of TSE by recycling sewage water which would otherwise be discharged into the environment

Consistent emission monitoring

Commissioned Intertek to carry out annual stack emissions monitoring

Thermal Energy Storage

Enhances the ability to manage peaks in DC demand and ensures no additional production is needed during times of peak demand

Use of sea water to protect scarce resources

Utilizes sea water instead of potable water leading to substantial savings of potable water whilst simultaneously ensuring no harm to marine life

Management of hazardous waste

Engaged Environmental Services Providers for the management of hazardous materials from various plants operated by Tabreed and its affiliates

Trade Effluent Discharge

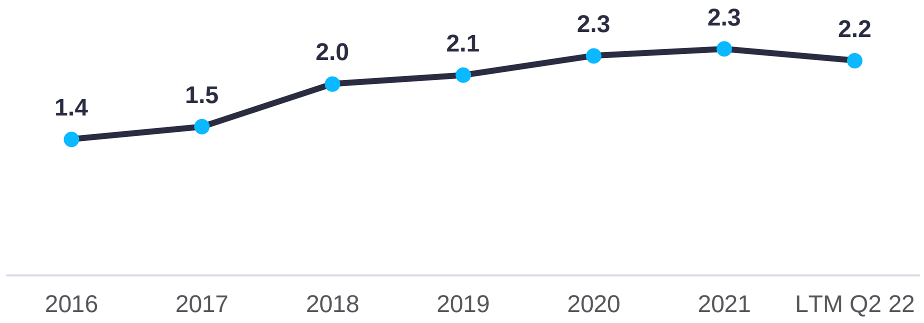
Compliance with the framework of the regulation of trade effluent

Demonstrated environmental impact (LTM Q2 2022)

2.21bn kWh reduction in energy consumption = **125,948** Homes powered in the GCC every year (equivalent)

1. 32mn tons Annual elimination of CO_2 emissions = **287,434** Cars removed annually

Annual reduction in energy consumption
(In Billions of kWh)



Notes: (1) Refers to Treated Sewage Effluent (“TSE”).

Partner of choice across GCC for providing environmentally friendly cooling solutions

Resilient Business Model

- A utility-like service considering the warm climate of the Middle East with operational track record of > 20 years
- The pass-through clauses in most of Tabreed's contracts limit its exposure to fluctuations in the cost of utilities

Strong Cash Flow Visibility

- Long-term partnerships ensures strong revenue and cashflow visibility
- Cash flow predictability due to long term contracts

Capacity Growth

- Added ~225k RT of capacity through acquisitions since 2020
- Guided 120k RT of organic growth over 2022 and 2023

Strategic Partnerships

- Recently implemented Nemo, ENGIE’s bespoke AI operations software, for Downtown DCP network
- Partnered with IFC for expansion in India
- Entered Egyptian market with Marakez and Gascool for East Cairo’s D5M Mall

Sustainability Focused

- Green Financing Framework confirms the sustainable nature of our core business
- Upcoming ESG report will also demonstrate our strong social and governance credentials

Strong Corporate Governance

- Listed on the DFM with strong corporate governance driven by Mubadala and ENGIE board members
- 4 of the total 9 board members are independent and the board is entirely non-executive

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