National Central Cooling Company PJSC

(DFM: TABREED)

Q3 2022 Earnings Presentation

15 November 2022

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Agenda

01

Business Updates and Performance Highlights

Q3 2022 Highlights

Financial Highlights: 9M 2022 vs. 9M 2021

Total Revenue	Chilled Water Revenue	EBITDA	Net Income
AED 1,660m	AED 1,607m	AED 912m	AED 400m
+13.3%	+13.8%	+17.5%	+3.0%

Performance Highlights and Other Developments

Key Highlights

- Total Revenue increased by 13%. Chilled Water revenue grew 14%
- EBITDA increased by 18% to AED 912m with EBITDA margins of 55% in 9M 2022, consistent with same period last year
- Net Income increased by 3% to AED 400m, reflecting strong performance and increase in Shareholders' value
- Increased Foreign Ownership Limit to 100%
- Expanding operation in Egypt, signing an agreement with EHCS for approx. 30 k RT.
- Published second ESG Report

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*

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

=

Enough energy to power
128,495
homes in the GCC every year

1.35 million tons
elimination of CO_2 emissions

=

The equivalent of removing
293,247
cars from our streets every year

Exclusive provider of DC services to several iconic projects

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 (Egypt and India)

*** Based on LTM Q3 22 figures**

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Connected Capacity (kRT)

Consolidated	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
UAE	954	1,025	1,033	1,038	1,053
Bahrain	33	33	34	34	34
Oman	33	33	51	51	52
Total Consolidated	**1,019**	**1,091**	**1,118**	**1,123**	**1,139**
Equity Accounted					
UAE**	74	9	9	9	9
KSA	110	110	110	110	110
Total Equity Accounted*	**184**	**119**	**119**	**119**	**119**
Total	**1,203**	**1,210**	**1,236**	**1,241**	**1,258**

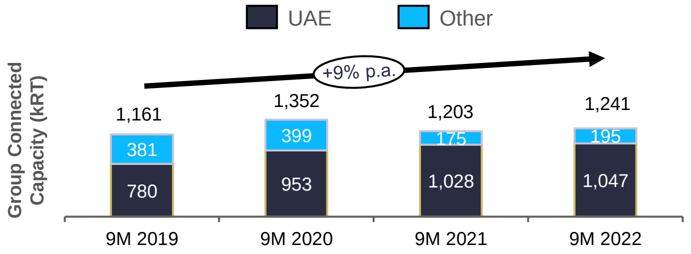
* Prior period capacity adjusted for Qatar Cool divestment

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

Headline Performance

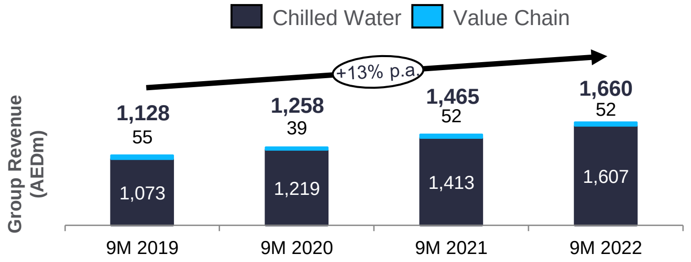
1 Long-term contracts with credit worthy customers

- Providing over 1.24m RT of cooling across GCC – grown at 9% CAGR since 2019
- Long term contracts (~25 years) mean approx. 81% 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



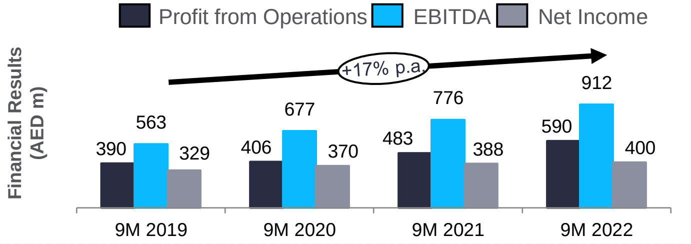
2 Revenue growth from existing and new business

- 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 9M 2022



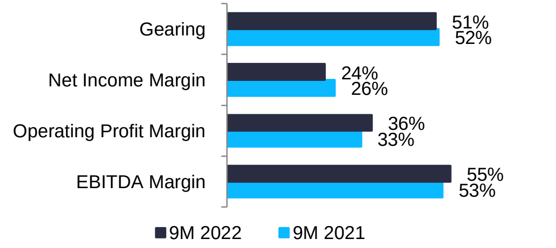
3 Solid financial performance

- 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 55% (2019 – 2022 Average Margin: 53%)
- Operating Profit margin of 36% (2019 – 2022 Average Margin: 34%)
- Net Income margin of 24% (2019 – 2022 Average Margin: 27%) – 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

Income Statement

Consolidated Financials (AED m)	9M 2022	9M 2021	*Variance*	%
Revenue	1,659.5	1,464.7	194.8	*13%*
Chilled water revenue (97%)	1,607.2	1,412.9	194.4	*14%*
Value chain businesses (3%)	52.3	51.9	0.5	*1%*
Operating cost	(878.7)	(809.9)	(68.7)	*9%*
Gross Profit	**780.9**	**654.8**	**126.1**	*19%*
Gross profit margin	*47%*	*45%*		
Administrative and other expenses	(190.5)	(171.3)	(19.2)	*11%*
Profit from Operations	**590.4**	**483.4**	**106.9**	*22%*
Operating profit margin	*36%*	*33%*		
Net finance costs	(207.7)	(185.5)	(22.2)	*12%*
Share of results of associates and joint ventures	27.9	33.7	(5.8)	*(17)%*
Other gains and losses	12.9	(2.2)	15.1	*(694)%*
Income attributable to non-controlling interests	(23.8)	(21.6)	(2.2)	*10%*
Profit from discontinuing operations	0.0	80.2	(80.2)	*(100)%*
Net Income	**399.6**	**388.0**	**11.6**	*3%*
Net Income margin	*24%*	*27%*		
EBITDA	**911.7**	**775.7**	**136.0**	*18%*
EBITDA margin	*55%*	*53%*		

Key Observations

- Overall, increase in revenue, operating costs and Administrative and other expenses mainly driven by consolidation of full quarter impact of Saadiyat DC assets and step-up acquisition of Al Wajeez
- 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 Sep 2022	31 Dec 2021*	*Variance*	*%*
Fixed Assets	**8,116.3**	8,237.0	(120.7)	*(1)%*
Intangibles	**4,179.5**	4,284.5	(104.9)	*(2)%*
Associates and Joint Ventures	**409.5**	372.8	36.8	*10%*
Accounts Receivable	**856.7**	691.0	165.7	*24%*
Cash and Short-Term Deposits	**1,491.7**	1,197.3	294.5	*25%*
Derivative – MTM	**273.5**	(14.3)	287.8	-
Other Assets	**52.3**	50.8	1.5	*3%*
Total Assets	**15,379.6**	**14,819.1**	**560.6**	***4%***
Equity and Reserves	**6,953.4**	6,446.4	507.0	*8%*
Debt	**7,322.4**	7,361.8	(39.4)	*(1)%*
Other Liabilities	**1,103.9**	1,010.9	93.0	*9%*
Total Liabilities and Equity	**15,379.6**	**14,819.1**	**560.6**	***4%***

Key Observations

- Decrease in intangibles is primarily due to deconsolidation of IBA on investment disposal and amortization for the period
- Increase in trade receivables and payables mainly represent seasonality impact, offset by deconsolidation of IBA receivables on Investment disposal
- Included in equity & reserves is the Issuance of Bonus shares of 69.3 million on 31 March 2022
- Reduction in Debt represents the scheduled repayments of project finance facilities

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

Cash Flow Statement

Consolidated Financials (AED m)	9M 2022	9M 2021	*Variance*	*%*
Profit from Operations	**590.4**	**483.4**	**106.9**	***22%***
Finance lease amortization	81.8	99.6	(17.9)	*(18)%*
Depreciation and Amortization	239.6	192.6	46.9	*24%*
Working Capital and other adjustments	(45.3)	131.5	(176.8)	*(134)%*
Net cash flows from Operating Activities	**866.4**	**907.2**	**(40.8)**	***(4)%***
Net cash flows from Investing Activities	**(138.1)**	**(704.8)**	**566.8**	***(80)%***
Net cash flows from Financing Activities	**(433.9)**	**(375.2)**	**(58.7)**	***16%***
Net Movement in Cash and Cash Equivalents	294.5	(172.8)	467.2	*(270)%*
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	**1,491.7**	**1,140.1**	**351.6**	***31%***

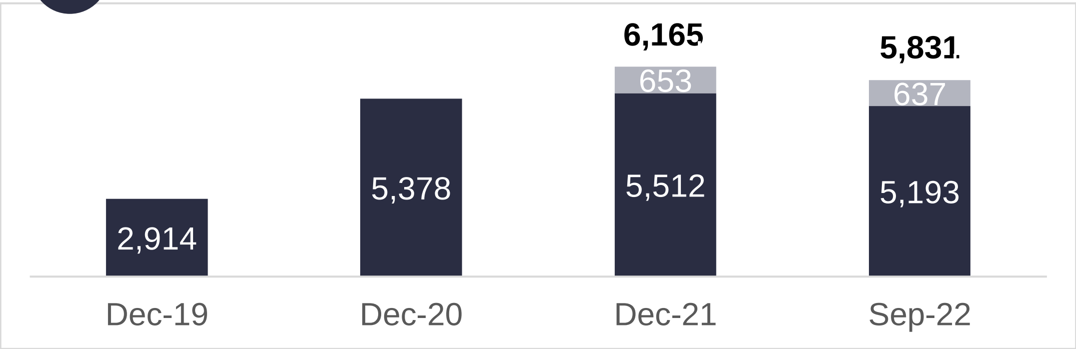
Key Observations

- Strong cashflow from operation with Cash conversion of 95% EBITDA
- Investing activities mainly represent Capex payments and disposal of IBA, comparative includes payment made towards acquisition of shares in Saadiyat District cooling assets and sale proceed upon disposal of Qatar Cool
- 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.

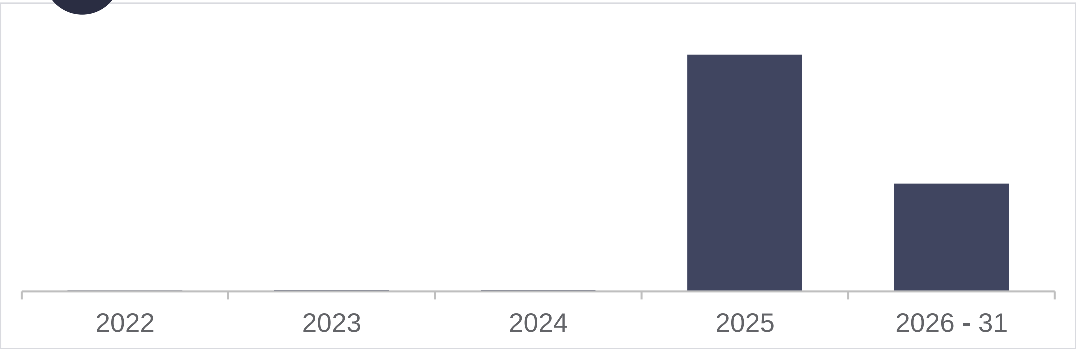
Debt Portfolio and Return Ratios

Investment grade status affirmed by both Fitch and Moody’s

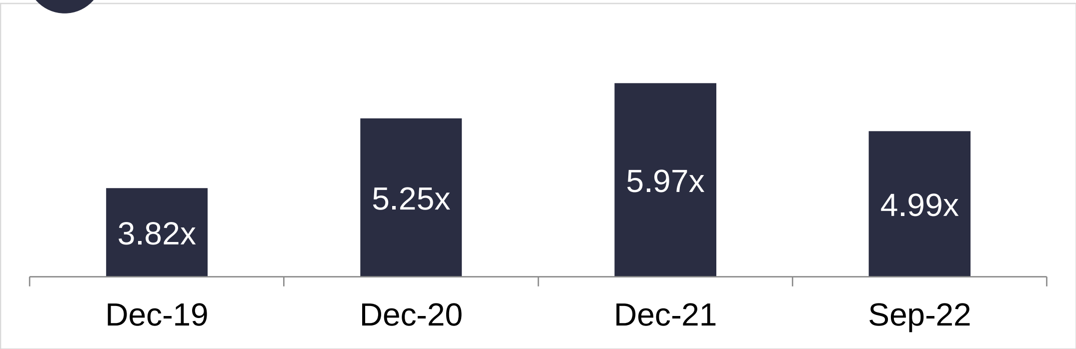
1 Net Debt* Profile (AED m)



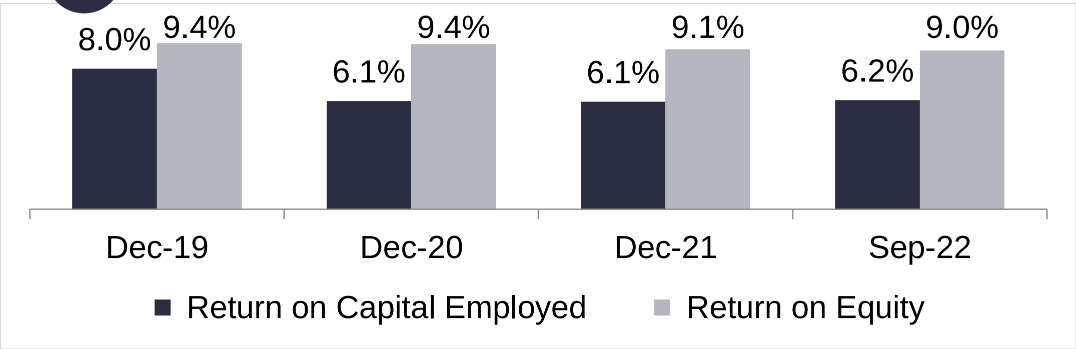
2 Debt Maturity Profile



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 220M as at 30 September 2022)

03

Conclusion

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

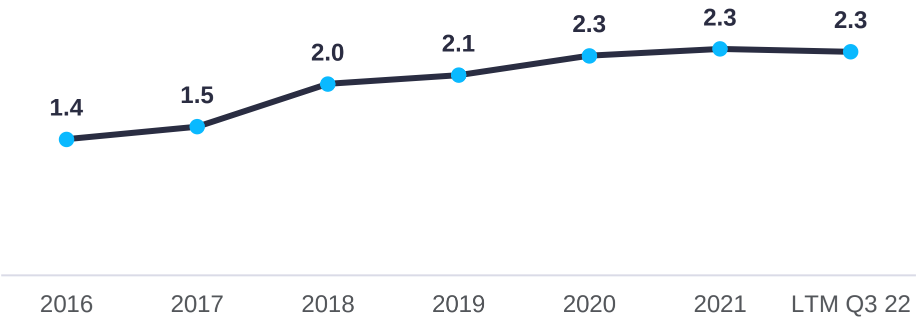
Demonstrated environmental impact (LTM Q3 2022)

2.26bn kWh reduction in energy consumption = **128,495** Homes powered in the GCC every year (equivalent)

1.35mn tons Annual elimination of CO_2 emissions = **293,247** 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 > 24 years
- The pass-through clauses in most of Tabreed's contracts limit its exposure to fluctuations in the cost of utilities

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 D5M Mall and with EHCS for Capital Med

Capacity Growth

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

Strong Cash Flow Visibility

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

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
- 8 of the total 9 board members are independent and the board is entirely non-executive

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