National Central Cooling Company PJSC

(DFM:TABREED)

Full Year 2020

Earnings Presentation

15 February 2021

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Agenda

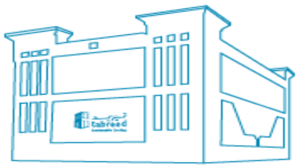
1. Introduction and 2020 Review
2. Performance Highlights
3. Financial Results
4. Conclusion

1. Introduction and 2020 Review

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

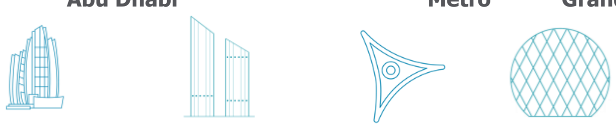
1.35 million tons
annual elimination of CO_2 emissions

=

293,129

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

2020 Overview

Developed strong platform to support future growth opportunities

Strong financial performance with **revenue and EBITDA growth 15% and 27%**, respectively despite the impact of pandemic

Successfully accessed both corporate and capital debt markets. **Investment grade status reaffirmed** by both Fitch and Moody's

Significant growth achieved through Downtown DCP and Saadiyat Island acquisitions. Downtown DCP improved market **position to #2 from #4 in Dubai**

Capacity growth and margin enhancement

Raised ~US$1.4 bn via term loan and bond issue

Inorganic capacity growth of ~180k RT with over ~320k RT of potential concessions

Increasing value and long-term returns for shareholders

Resilient Business Model

2020 performance is testament to Tabreed's resilient business model

Capacity Growth

- Capacity growth of at 9% per annum since 2017
- 2020 capacity grew at 19%; primarily through acquisition of Downtown Dubai and Saadiyat concessions
- Revenue and earnings visibility provided by long term, price certain contracts

Revenue and earnings visibility

- Contracts of typically 25+ years with low contract termination risk
- Demand for cooling was maintained through the pandemic, demonstrating essential nature of our service
- Consumption revenue grew by over 17% compared to 2019

Margin Enhancement

- Electrical efficiency has improved by 5% since 2017 in value terms AED 17.5m
- EBITDA margin enhancement from 50% in 2019 to 56% in 2020

Masdar: One of the World’s Most Sustainable Urban Communities

Sustainability is the key ethos of Masdar City, sharing Tabreed’s vision of efficient and low-emission urban developments

- Acquired Masdar City district cooling concession
- Ultimately will provide efficient cooling services to more than 2.7 million sq.m of sustainable urban communities in Masdar City, with a total capacity of about 69k RT
- Also acquired the use of two deep geothermal wells located in Masdar City that are a part of a major R&D collaboration initiative
- Potentially enables Tabreed to leverage its sector expertise and innovative approach to create unique, reliable and sustainable cooling solutions through geothermal technology

Iconic Sites

UAE Space Agency

Masdar City Center

IRENA Headquarters

Downtown DCP: A Historic Achievement for Tabreed and a Transformational Transaction

tabreed تبريد

Reinforcing Tabreed's position as the global district cooling industry leader and improving position to #2 from #4 in Dubai

- Acquired 80% of Emaar's Dubai Downtown District Cooling business
- Signed a long-term concession to cool iconic sites such as, the Burj Khalifa, Dubai Mall and Dubai Opera House
- Partnership with Emaar anticipated to lead to further growth opportunities
- 4 interconnected plants with an ultimate concession capacity of 235k RT and around 146k RT of connected capacity at the time of acquisition
- Significantly increased Tabreed's market share in Dubai, the largest District Cooling market in the World. Also reduced customer concentration and added high quality off-takers to the portfolio
- Successfully completed the post merger integration of all plants despite prevailing pandemic

Connected capacity of ~150k RT and additional concession of around 85k RT for future growth

Saadiyat Island: Cooling Abu Dhabi's Most Prestigious Developments

Further strengthening Tabreed's presence in Abu Dhabi

- Acquired Saadiyat Island District Cooling assets from Aldar Properties. The transaction was signed in 2020 and expected to close by Q1 2021
- The ultimate capacity of these 2 concessions are 88k RT with currently connected capacity of 35k RT
- Additional prestigious projects are expected to be developed in the coming years in this prime cultural and tourism area of Abu Dhabi
- Tabreed to provide cooling to Abu Dhabi's cultural and tourism hub, home to hospitality, museums and education sectors

Iconic Sites

Louvre Museum

New York University

Guggenheim, Al Saadiyat

Strong Credit Profile

Capitalization and efficient working capital utilization to support near term growth

Term Loan

- 5 year, US$ 692m Senior Unsecured Term Loan
- Bullet Repayment in 2025
- To acquire Downtown DCP assets
- Initially provided and fully underwritten by HSBC
- Successfully syndicated to a group of 9 banks during May & June 2020
- The syndication was oversubscribed with international, regional and local banks participating

Bond Issue

- US$ 500m, 7 year 2.5% coupon maturing in 2027
- 5x oversubscribed with international investors accounting for over 90% of final allotment
- To acquire Saadiyat Island assets and refinance an existing term loan
- Balance to be utilized for potential acquisition in 2021

- Investment grade rating retained by Moody's (Baa3) and Fitch (BBB)
- Interest costs fixed at historic low levels

Tabreed's Baa3 rating remains supported by the company's

1. strong cash flow resilience because of long-term fixed charge contracts;
2. low operating risk levels, with most variable costs being passed through;
3. strong competitive positions in growing Gulf Cooperation Council (GCC) markets; and
4. complementary shareholder base…

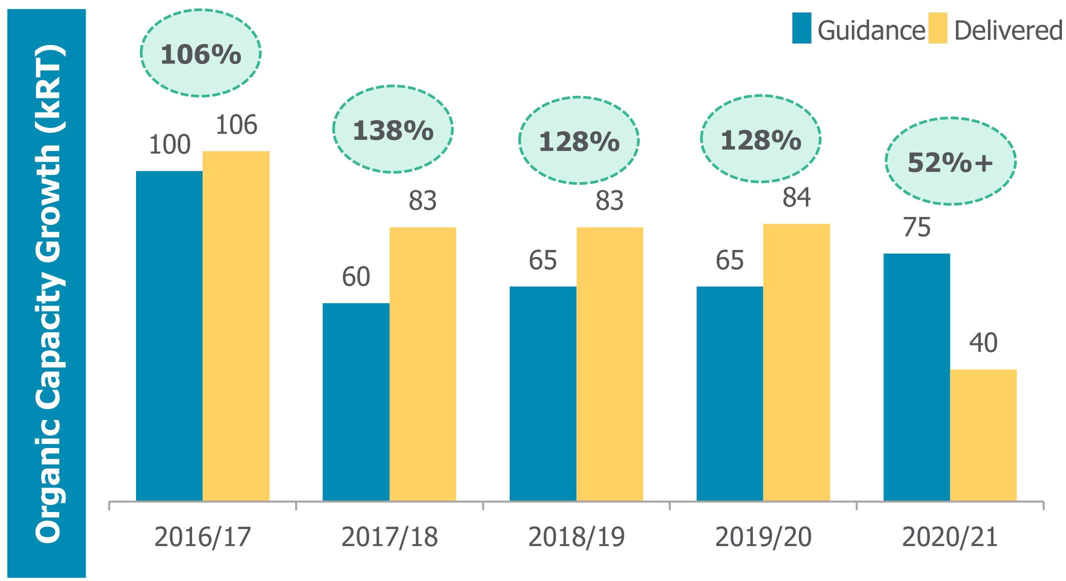
Moody's (April 2020)

Connected Capacity

Consolidated	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
UAE	724	871	872	882	928
Bahrain	28	32	32	32	32
Oman	32	32	32	32	32
Total Consolidated	**784**	**936**	**936**	**947**	**992**

Equity Accounted	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
UAE	71	71	71	71	71
Qatar	218	224	224	224	230
KSA	110	110	110	110	110
Total Equity Accounted	**399**	**406**	**406**	**406**	**411**
Total	**1,183**	**1,342**	**1,343**	**1,352**	**1,404**

- Previously announced capacity guidance of 75k RT to be added over 2020 and 2021
- Organic capacity addition of 40k RT across the region in 2020
- Acquisition of Dubai Downtown in April 2020 added 146k RT
- Acquisition of Saadiyat Island added 35k RT, to be closed in Q1 2021
- Revised capacity guidance of 120k RT of organic growth to be added over 2021 and 2022



2. Performance Highlights

Performance Highlights

Financial Highlights: 12M 2020 vs. 12M 2019

Chilled Water Revenue	Total Revenue	EBITDA	Net Income	Dividend
AED 1,687m	AED 1,741m	AED 970m	AED 550m	11.5 Fils
+15.8%	+14.5%	+27.1%	+16.5%	+9.5%

Performance Highlights

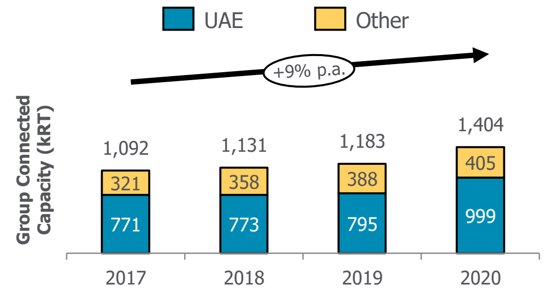
Performance Highlights

- Chilled Water revenue grew 15.8%. Total Revenue increased by 14.5%
- EBITDA increased by 27.1% to AED 970m and EBITDA margins increased from 50% to 56%
- Net Income increased by 16.5% to AED 550m
- Added 84k RT during 2019 and 2020 compared to guidance of 65k RT for the period
- Total capacity addition of 221k RT during 2020; organic capacity addition of 40k RT
- On track to meet previously announced capacity guidance to add 75k RT over 2020 and 2021
- Revised capacity guidance of 120k RT over 2021 and 2022
- Committed to returning value to shareholders – Proposed dividend of 11.5 fils, up from 10.5 fils in 2019, to be paid 50% in cash and 50% in equity

Headline Performance

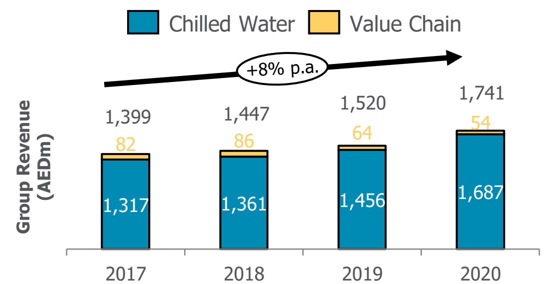
Long-term contracts with credit worthy customers

- Providing over 1.40m RT of cooling across GCC – grown at 9% CAGR since 2017
- 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



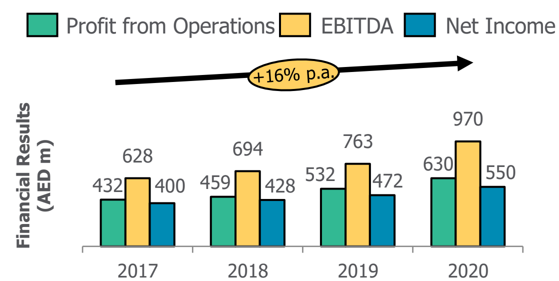
Revenue growth from existing and new business

- Group revenue growing at 8% CAGR since 2017 driven by Chilled Water revenue growth of 9%
- Utility business model leads to steady increases in revenue and profitability from existing customers
- Acquired 80% stake in Emaar's Dubai Downtown District Cooling business and signed a long-term concession



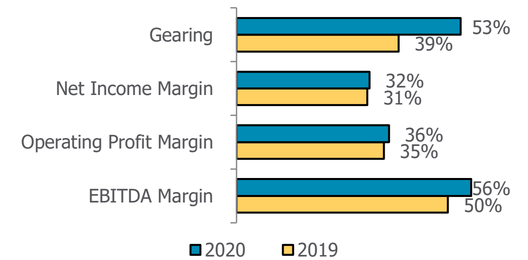
Solid financial performance

- Predictability in earnings driven by capacity charge
- EBITDA has grown 16% annually since 2017



Value to shareholders

- EBITDA margin of 56%
- Strong balance sheet
- Stable cash flow generation
- Dividend of 11.5 fils (cash + equity value), up from 10.5 fils in 2019



3. Financial Results

Income Statement

Consolidated Financials (AED m)	2020	2019	*Variance*	*%*
Revenue	1,741	1,520	221	*15%*
Chilled water revenue (97%)	1,687	1,456	230	*16%*
Value chain businesses (3%)	54	64	(10)	*-16%*
Operating cost	(886)	(768)	(119)	*15%*
Gross Profit	**855**	**753**	**102**	*14%*
Gross profit margin	*49%*	*50%*		
Administrative and other expenses	(225)	(220)	(4.3)	*2.0%*
Profit from Operations	**630**	**532**	**98**	*18%*
Operating profit margin	*36%*	*35%*		
Net finance costs	(219)	(178)	(41)	*23%*
Share of results of associates and joint ventures	51	63	(12)	*-19%*
Other gains and losses	79	27	52	-
Income attributable to non-controlling interests	(23)	(8)	(15)	
Profit from discontinuing operations	32	36	(4)	*-10%*
Net Income	**550**	**472**	**78**	*16%*
Net Income margin	*32%*	*31%*		
EBITDA	**970**	**763**	**207**	*27%*
EBITDA margin	*56%*	*50%*		

Key Observations

- Increase in revenue primarily driven by Chilled Water business which is more than accounted for a small reductions in Value Chain business
- Chilled Water growth in 2020, driven by consolidation of Downtown DCP and new connections, partly offset by negative CPI including higher finance lease amortization and lower consumption on account of pandemic
- EBITDA margin enhancement driven by Downtown DCP consolidation
- Higher finance cost due to new loans, partly offset by hedging and lower interest rates compared to last year
- Other gains higher primarily due to finance lease gain on contract amendment with an existing client
- Share of results down due to 2019 one-off gain in UAE JV not repeated in 2020. Profit from discontinued operations reflects IFRS disclosure requirements in relation to Qatar Cool

Financial Position

Consolidated Financials (AED m)	Dec 31, 2020	Dec 31, 2019	*Variance*	*%*
Fixed Assets	8,011	7,288	723	*10%*
Intangibles	2,360	29	2,332	-
Associates and Joint Ventures	358	732	(374)	*-51%*
Accounts Receivable	898	593	305	*51%*
Cash and Short-Term Deposits	1,313	227	1,086	
Other Assets	42	35	8	*22%*
Assets Held for Sale	330	-	330	
Total Assets	**13,313**	**8,904**	**4,409**	***50%***
Equity and Reserves	5,875	5,016	860	*17%*
Debt	6,691	3,141	3,550	*113%*
Other Liabilities	747	747	0	*0%*
Total Liabilities and Equity	**13,313**	**8,904**	**4,409**	***50%***

Key Observations

- Increase in balance sheet including fixed assets, accounts receivables and corporate debt has been primarily due to Downtown DCP acquisition
- Increase in receivables was primarily due to delays in collections from some customers; collections from rest of the customers remain normal
- As at 31 December 2020, investment in Qatar Cool has been classified as held for sale, as required by IFRS. As a result, investment in associates and JV has reduced
- Increase in debt balances represent financing of Downtown DCP LLC acquisition, and new 7 year bond issuance partially offset by repayment of existing term loan

Cash Flow Statement

Consolidated Financials (AED m)	2020	2019	*Variance*	%
Profit from Operations	**630**	**532**	***98***	*18%*
Finance lease amortization	118	61	*57*	*93%*
Depreciation and Amortization	222	170	*52*	*31%*
Working Capital and other adjustments	(341)	19	*(360)*	
Net cash flows from Operating Activities	**629**	**782**	***(153)***	*-20%*
Capital expenditure incurred	(2,686)	(104)	*(2,582)*	
Acquisition of additional share in subsidiary / associates	-	(128)	*128*	
Dividends and interest income received	91	47	*44*	*93%*
Net cash flows from Investing Activities	**(2,595)**	**(184)**	***(2,411)***	
Debt servicing	3,392	(306)	*3,698*	
Dividend Paid	(289)	(261)	*(27)*	*10%*
Others	(52)	(52)	*0*	-
Net cash flows from Financing Activities	**3,051**	**(620)**	***3,671***	
Net Movement in Cash and Cash Equivalents	**1,086**	**(22)**	***1,108***	
Cash and Cash Equivalents at the start of the period	227	249	*(22)*	*-9%*
Cash and Cash Equivalents at the end of the period	**1,313**	**227**	***1,086***	

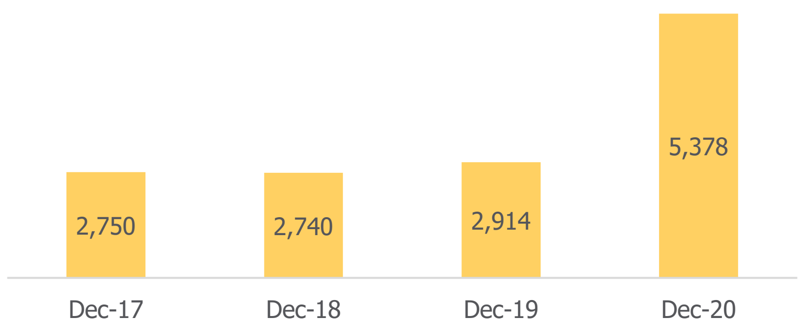
Key Observations

- Cashflow from operations impacted by lower collections from a major government customer
- These delays are not due to any disputes, and we continue to closely work with customers to accelerate our collections
- Capex is higher due to acquisition of Downtown DCP and Masdar
- Dividend and interest income is higher due to one-off dividend from UAE JVs and associates
- Increased debt in 2020 is on account of new financing of USD 692m and issuing non convertible bond of USD 500m for funding new growth and acquisition
- Higher interest payment is due to above mentioned new financing facilities

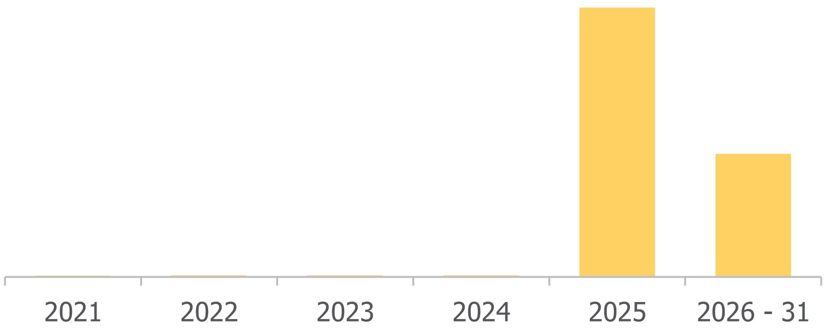
Debt Portfolio and Return Ratios

- Consistent improvement in return ratios
- Current gearing of 53% (vs. 39% in Dec 2019); Increase in debt in 2020 due to financing of USD 692m for Downtown DCP and issuing non convertible bond of USD 500m
- No significant financing required until 2025 when Sukuk matures and Downtown DCP fall due in 2025

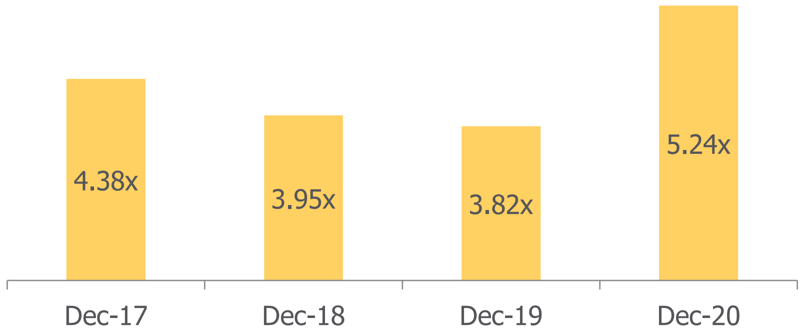
Net Debt Profile (AED m)



Debt Maturity Profile

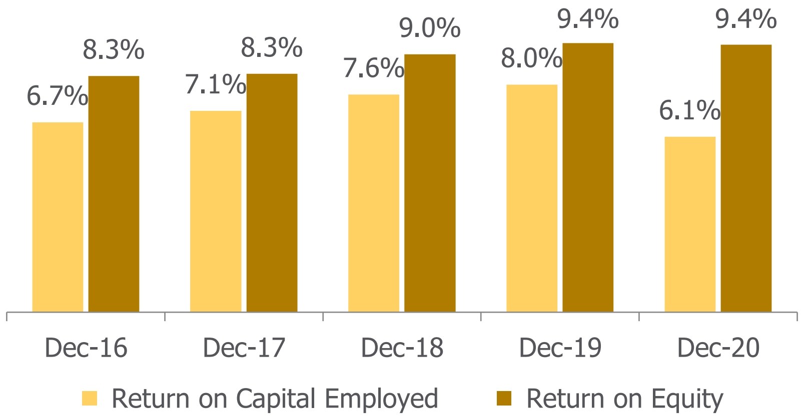


Net Debt to LTM EBITDA*



- LTM EBITDA for Dec 20 includes annualized EBITDA for Downtown DCP

Return on Capital Employed and Return on Equity



4. Conclusion

Key Highlights

Robust Performance

- Chilled Water revenue grew 15.8%. Total Revenue increased by 14.5%
- EBITDA increased by 27.1% to AED 970m and EBITDA margins increased from 50% to 56%
- Net Income increased by 16.5% to AED 550m
- Added 84k RT during 2019 and 2020 compared to guidance of 65k RT for the period

Acquisition and Expansion

- Signed an agreement with Miral to provide district cooling services to SeaWorld Abu Dhabi
- Acquired Saadiyat Island District Cooling concessions
- Acquired World's largest district cooling scheme in Downtown Dubai from Emaar Properties
- Achieved financial close on acquisition of Masdar district cooling concession

Strategic Collaboration

- Developing and connecting Masdar and Tabreed infrastructure to help increase operating synergies
- Tabreed Energy Services established strategic partnership with ADCP to Promote Energy Conservation
- Partnership with Bee'ah, to jointly develop large-scale district cooling projects in the Emirate of Sharjah

Sustainability

- Tabreed's sustainability priorities encompass three main pillars, aligned with our values, the national agendas and energy strategies of the region
- Partner of choice across GCC in providing environmentally friendly cooling solutions
- Creating sustainable value for stakeholders

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