



National Central Cooling Company

Q1 2025 Earnings Presentation

14 May 2025

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Agenda

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Key Highlights

Adel Al Wahedi, Chief Financial Officer



Delivering on our growth strategy



	2019	2024	
Capacity ¹ (000 RTs)	965	1,325	↑ +7% CAGR
Volumes (bn RTH)	1.53	2.66	↑ +12% CAGR
Revenue (m AED)	1,520	2,434	↑ +10% CAGR
EBITDA (m AED)	763	1,252	↑ +10% CAGR
EBITDA Margin	50.2%	51.4%	↑ +123 bps
Normalized Profit Before Tax ² (m AED)	445	624	↑ +7% CAGR
Total Assets (m AED)	8,904	14,118	↑ +10% CAGR
Free Cash Flows (m AED)	595	971	↑ +10% CAGR
Normalized Dividend Payout Ratio ²	64.0%	77.3%	↑ +13 %

- ▶ Demonstrated ability to deliver sustainable growth over long-term – Approx. **77k RT of annual capacity** added in the last five years (incl. acquisitions)
- ▶ Historically, growth is driven by mix of organic and inorganic – continue to see **strong future pipeline** across both greenfield and M&A opportunities
- ▶ Expansion in **EBITDA margins** despite acceleration in consumption revenue underpinned by energy efficiency and cost optimization initiatives
- ▶ Surplus free cash utilized to **strengthen balance sheet** and **enhance dividend payout** to shareholders

(1) Excluding the impact of Qatar Cool Divestment (2) Based on normalized results (excluding the impact of one-off items)

Q1 2025 Highlights



Accelerating Growth Pipeline

Revenue	Capacity	New Connections
AED 466 m	1,329 k RT	4,599 RT
Flat YoY	+2% YoY	+2.7x YoY

Best-in-Class Profitability

EBITDA	EBITDA Margin	Net Profit
AED 283 m	60.7%	AED 115 m
+4% YoY	+2.54% YoY	+3% YoY

Strengthening Balance Sheet & Cash Position

Net Debt/EBITDA	Cash & ST Deposits	FCF Yield ¹
3.55x	AED 1,168 m	12.4%
-0.14x YoY	+14% YTD	+1.0% YTD

Milestones

- ▶ Announced a significant new project in partnership with Dubai Holding Investments to provide cooling of **250,000 RT** to Dubai’s upcoming premier waterfront development ‘Palm Jebel Ali’
- ▶ Issued a **Green Sukuk of US\$700 million** in line with Green Financing Framework
- ▶ **Strong financial position** evident by continued growth in profits, strong cash flow generation and further improvement in leverage ratios and returns

(1) At a share price of AED 2.73 as of 13 May 2025 and calculated on last 12 months free cash flows

New Palm Jebel Ali Concession – Key Highlights



- ▶ Signed a concession agreement in partnership with Dubai Holding Investments to exclusively provide district cooling services to one of Dubai's most ambitious and premier developments '**Palm Jebel Ali**'
- ▶ One of the **largest greenfield transaction** in Tabreed's history
- ▶ Significantly **enhances our contracted capacity** and boosts long-term revenue visibility
- ▶ Positions Tabreed to **capitalize on strong future potential** and growth in Dubai's district cooling market
- ▶ Underscores the company's commitment to providing **sustainable, high-efficiency cooling solutions** for large-scale developments



51%

تبريد
tabreed

49%

DUBAI
HOLDING

Shareholding in SPV



250 k RT

Total Concession Capacity



1.5 bn AED

Total Estimated CAPEX



2028

Start of Revenue Recognition

Update on USD 700 m 5.279% 5-year Green Sukuk Offering



USD 700 m
Issue Size

5 year
Tenor

5.279%
Profit Rate

4.3x
Order Book

2.6x
Oversubscription

Tabreed successfully returned to the international debt capital markets with a USD 700 million 5-year RegS Only Green Sukuk offering - the first issuance under its new USD 1.5 billion trust certificate issuance programme

Transaction Highlights:

- ▶ The largest sukuk / bond transaction by Tabreed
- ▶ The tightest spread to UST for a 5-year by a UAE corporate sukuk ever
- ▶ The tightest spread for Tabreed in the bond / sukuk market ever
- ▶ Impressive tightening of 40bps from IPTs – final pricing

Credit Ratings

FitchRatings
BBB Stable

MOODY'S
Baa3 Stable

Use of Proceeds

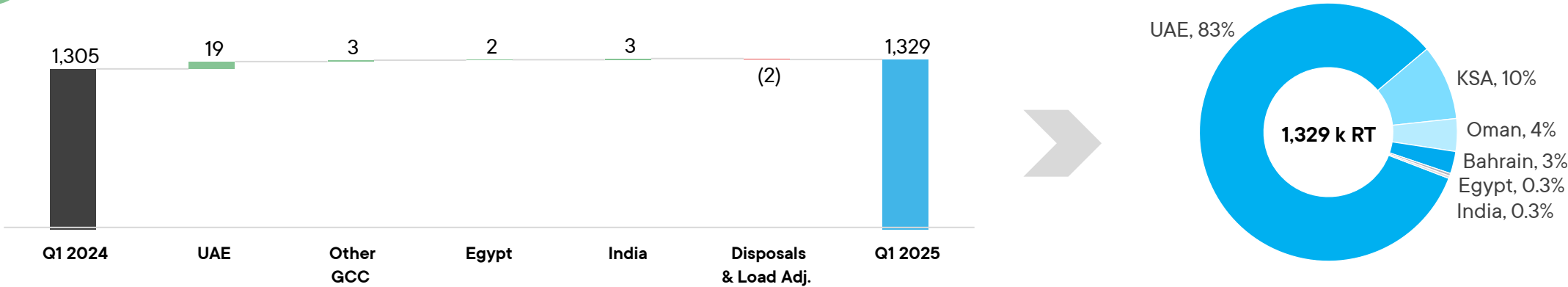
Eligible Green Project Categories:

- ▶ Energy Efficiency
- ▶ Sustainable Water and Wastewater Management
- ▶ Green Buildings
- ▶ Renewable Energy

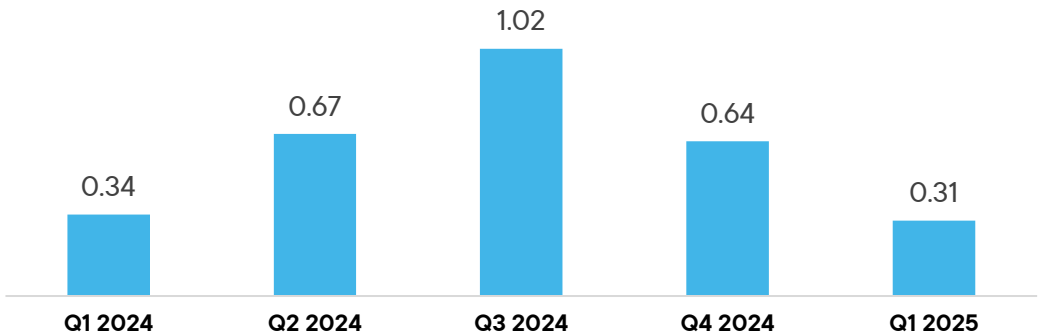
Q1 2025 Operational Performance – capacity and consumption volumes



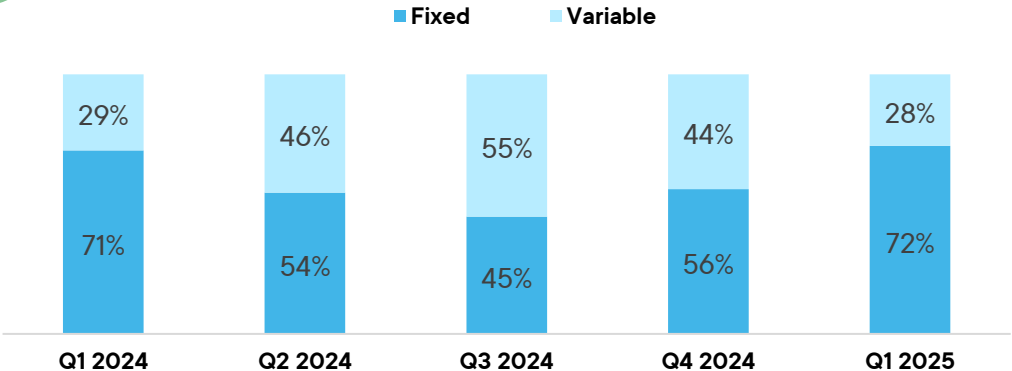
Capacity Additions (k RT) and Connected Capacity by Country



Consolidated Consumption Volumes (billion RTh)



Chilled Water Revenue Breakdown

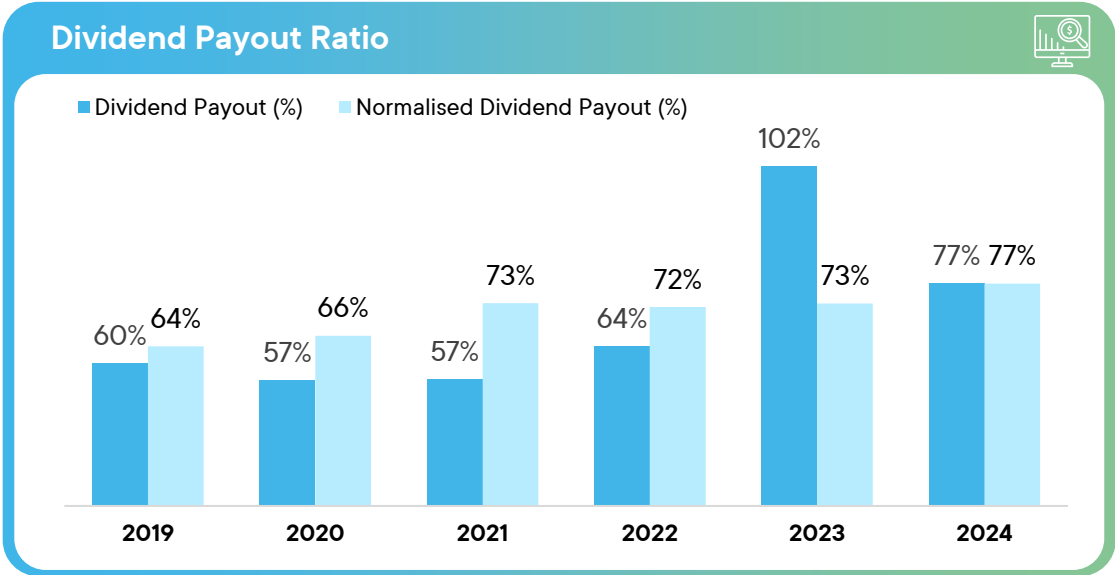
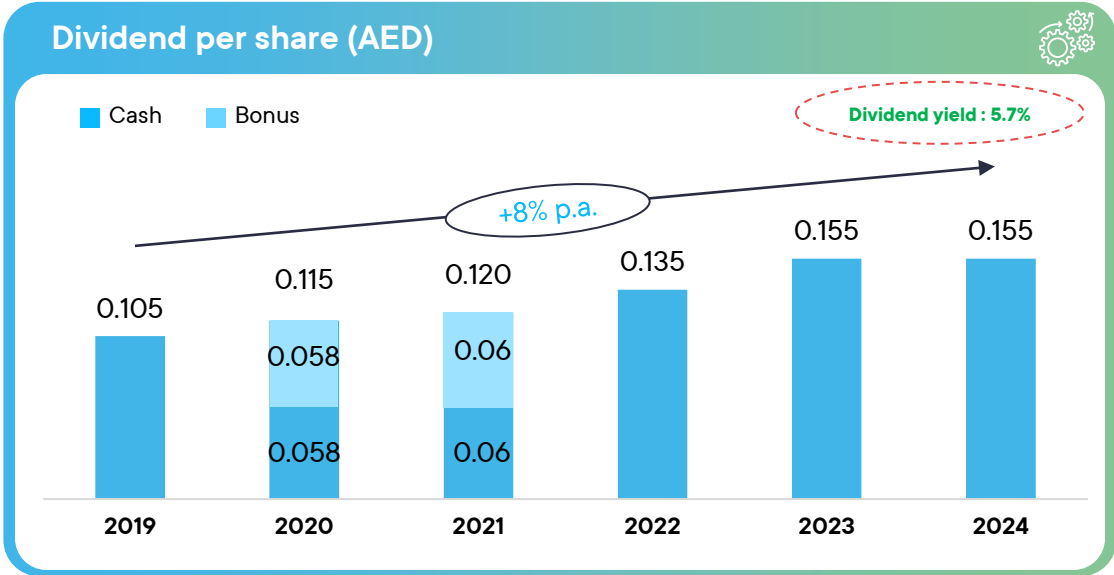


Highly cash generative business model provides attractive dividend returns



- During Annual General Assembly meeting in March 2025, shareholders approved a dividend of **15.5 fils per share** (AED 441 million) for the year 2024.
- Dividends have grown at a **CAGR of 8%** over the last five years. At current share price, Tabreed offers attractive **dividend yield of 5.7%**¹.

- Dividend payout ratio on normalized net profit² increased to **77% in 2024** from 73% in 2023.
- Consistent increase in dividend payout ratio**, demonstrating progressive approach adopted by the Board to return cash back to the shareholders.



(1) At a share price of AED 2.73 as of 13 May 2025 ;

(2) Normalized Net Profit is calculated after excluding one-off gains and losses from net profit

Sustainable, efficient and cost-effective cooling services



Sustainable district cooling solutions enabling significant energy savings and prevention of green house gas emissions



2.62 billion kWh
reduction in energy
consumption through
Tabreed's DC services



Enough energy to power
~149,000 homes in GCC
every year



1.56 million tons
prevention of CO₂
emissions



The equivalent of removing
~340,000 cars from our
streets every year

Annual savings in energy consumption (In Billions of kWh)



Key initiatives to reduce operational energy consumption and integrate renewables sources of energy



Variable Frequency Drives (VFDs) Retrofit

Completed an extensive programme to retrofit electric motors with VFDs

23 million kWh energy savings expected over the next 10 years



Use of Nanofluid Particles

Using Nanofluid particles in **four plants** in Dubai

Expected energy savings of **up to 10%** annually at plant level



Geothermal Energy

Operating region's first Geothermal based district cooling plant in Masdar City producing **700 RT** of cooling

3x less electricity consumption vs. standalone air-cooled system

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Q1 2025 Financial Results

Salik Malik, Vice President - Finance



Financial Summary



Income Statement			
	Q1 2025	Q1 2024	YoY (%)
Revenue	466	468	0%
Gross Profit	235	238	(1)%
EBITDA	283	272	4%
Operating Profit	161	162	(1)%
Profit Before Tax	133	129	3%
Net Profit	115	112	3%

Balance Sheet			
	Q1 2025	FY 2024	YTD (%)
Non-current Assets	11,992	12,067	(1)%
Current Assets	2,176	2,051	6%
Total Assets	14,168	14,118	0%
Total Equity	6,591	6,962	(5)%
Total Debt	5,650	5,648	0%
Other Liabilities	1,927	1,508	28%
Total Equity & Liabilities	14,168	14,118	0%

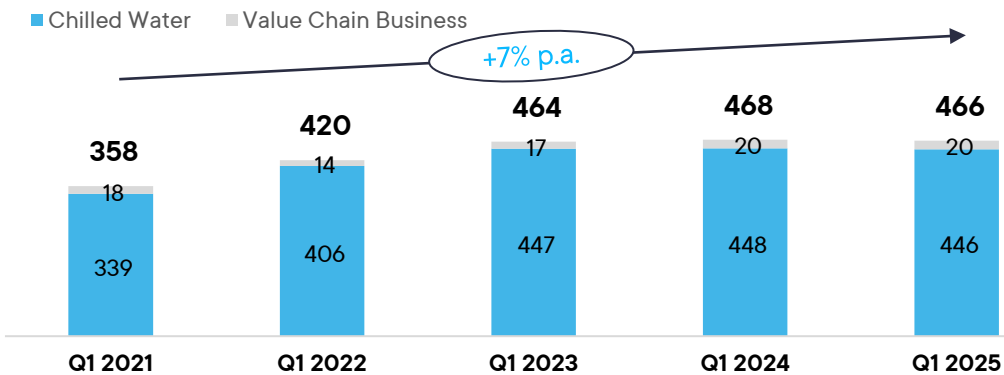
Cash Flows			
	Q1 2025	Q1 2024	YoY (%)
Cash flows from Oper.	284	274	4%
Changes in Working Cap.	(76)	(30)	155%
Net Oper. Cash Flows	207	244	(15)%
Net Inv. Cash Flows	(14)	(37)	(62)%
Net Fin. Cash Flows	(48)	(84)	(43)%
Inc. / Dec. in cash	146	123	
Closing Cash	1,168	1,633	(28)%

All figures in AED millions (unless stated explicitly) rounded to nearest whole number

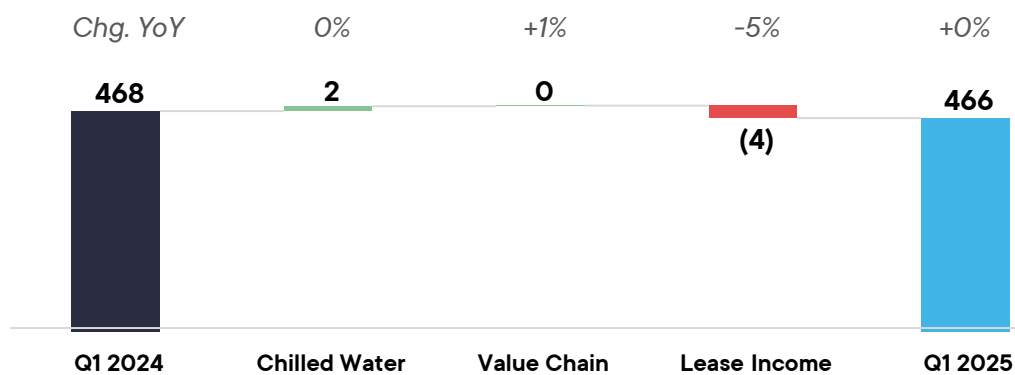
Income Statement Highlights



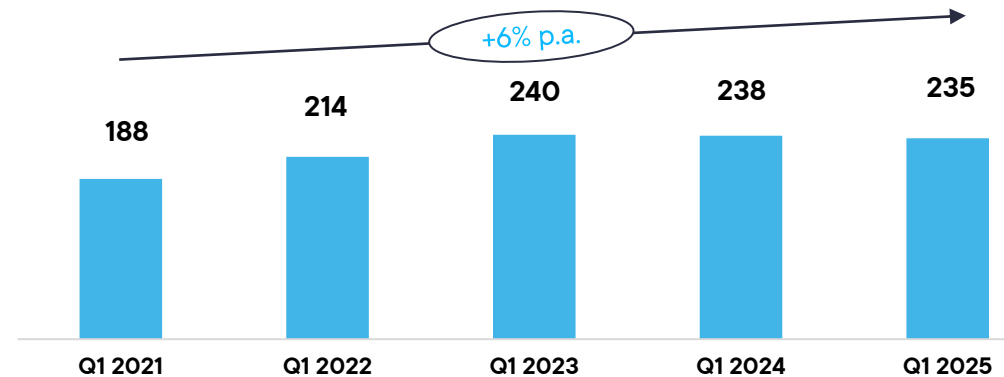
Revenue



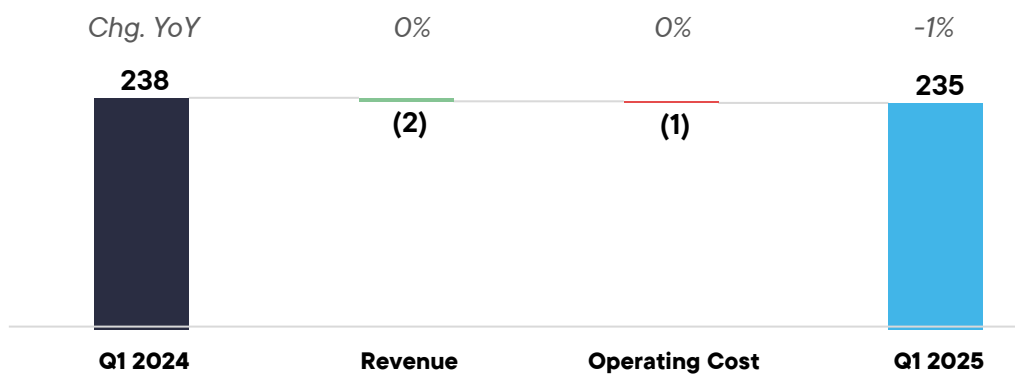
Q1 2025 Revenue Movement (YoY)



Gross Profit



Q1 2025 Gross Profit Movement (YoY)

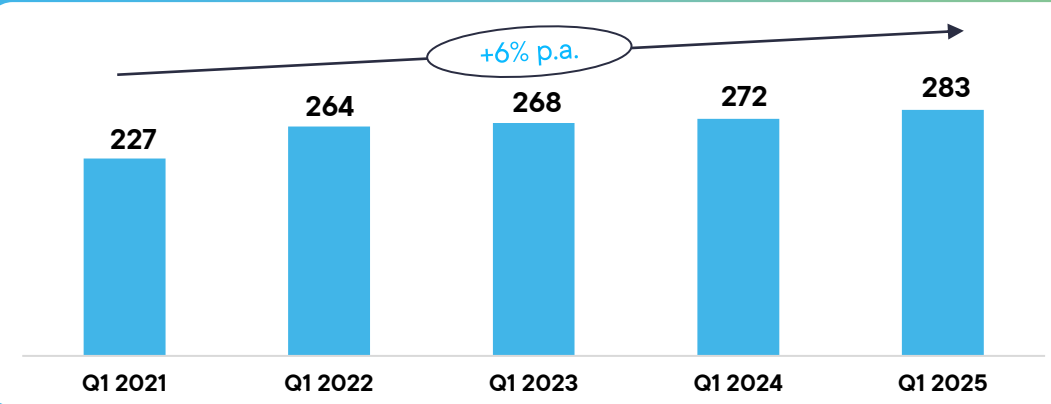


All figures in AED millions (unless stated explicitly) rounded to nearest whole number

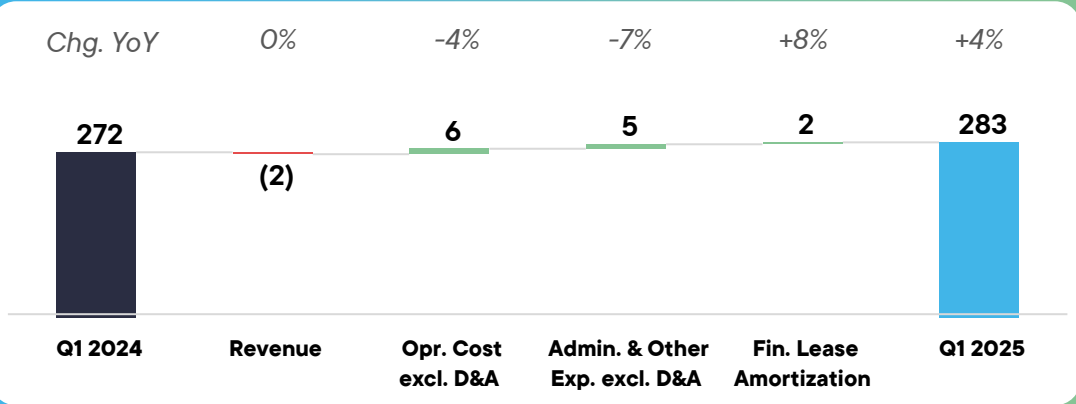
Income Statement Highlights (cont.)



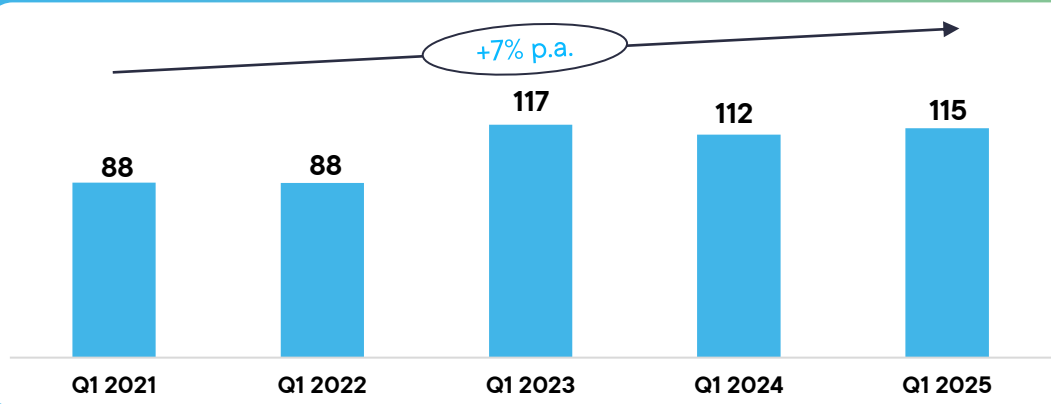
EBITDA



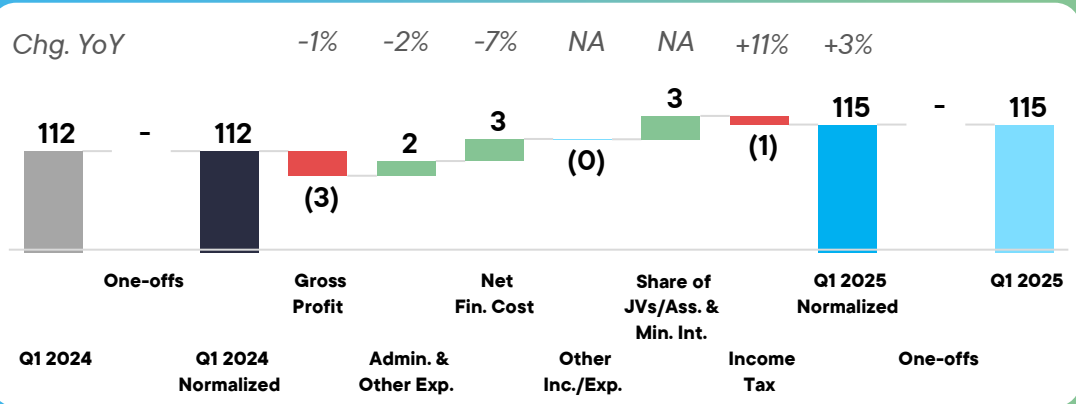
Q1 2025 EBITDA Movement (YoY)



Normalized Net Profit



Q1 2025 Net Profit Movement (YoY)

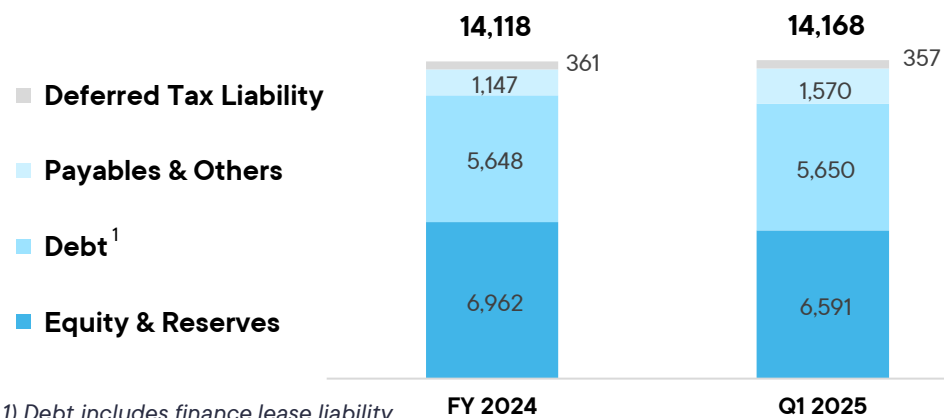
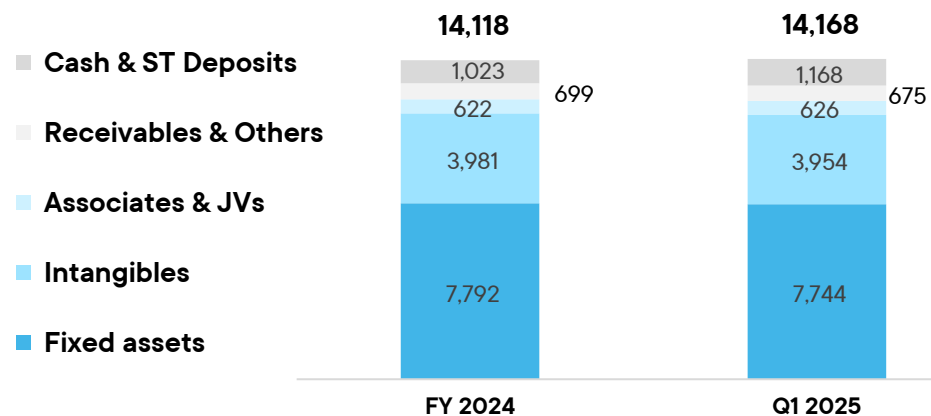


All figures in AED millions (unless stated explicitly) rounded to nearest whole number

Balance Sheet Highlights

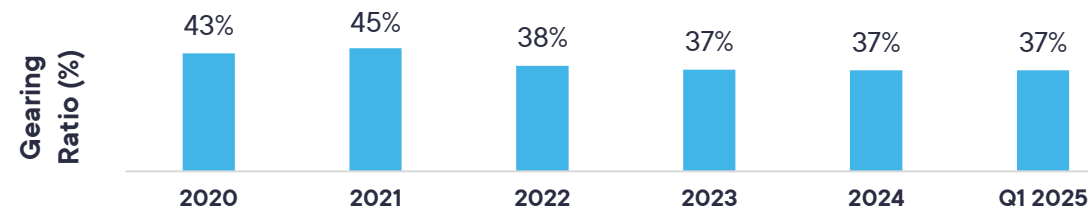
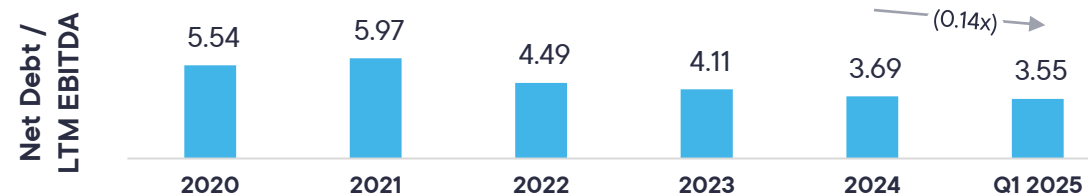
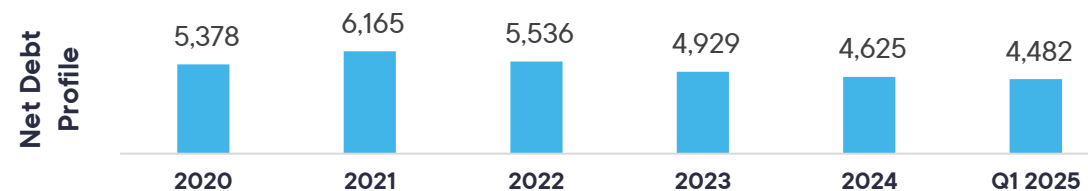


Balance Sheet Breakdown

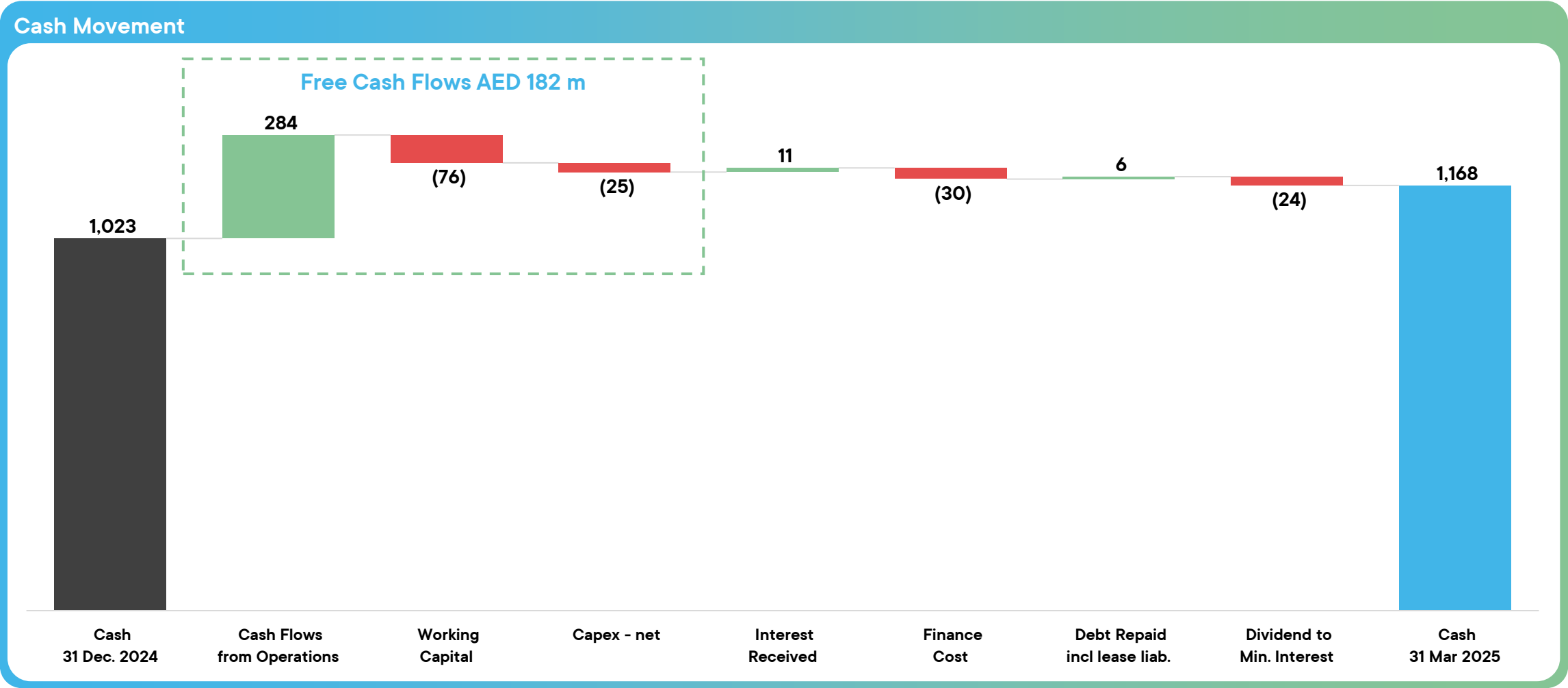


1) Debt includes finance lease liability

Debt Profile and Leverage Ratios



Continue to generate strong cash flows



All figures in AED millions (unless stated explicitly) rounded to nearest whole number

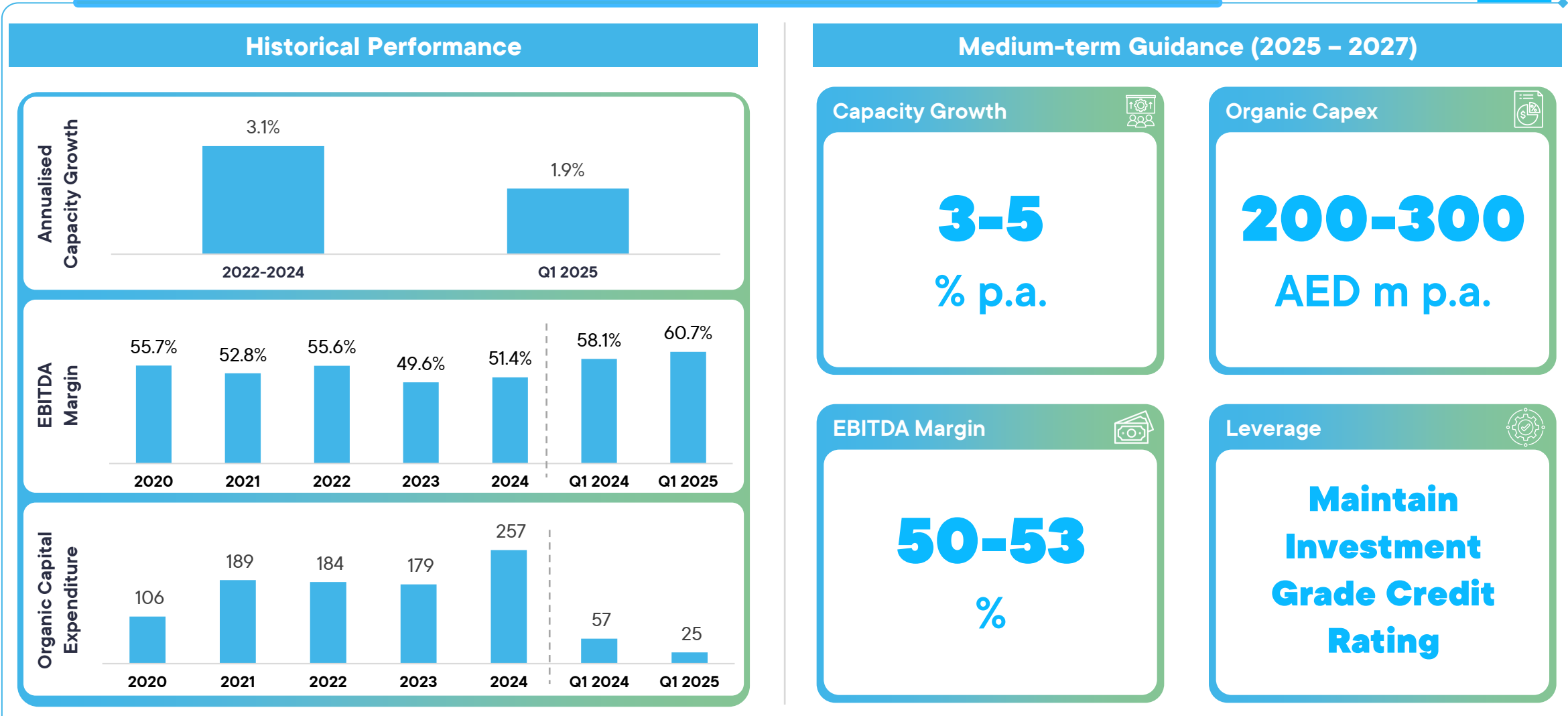
04

Guidance & Concluding Remarks

Adel Al Wahedi, Chief Financial Officer

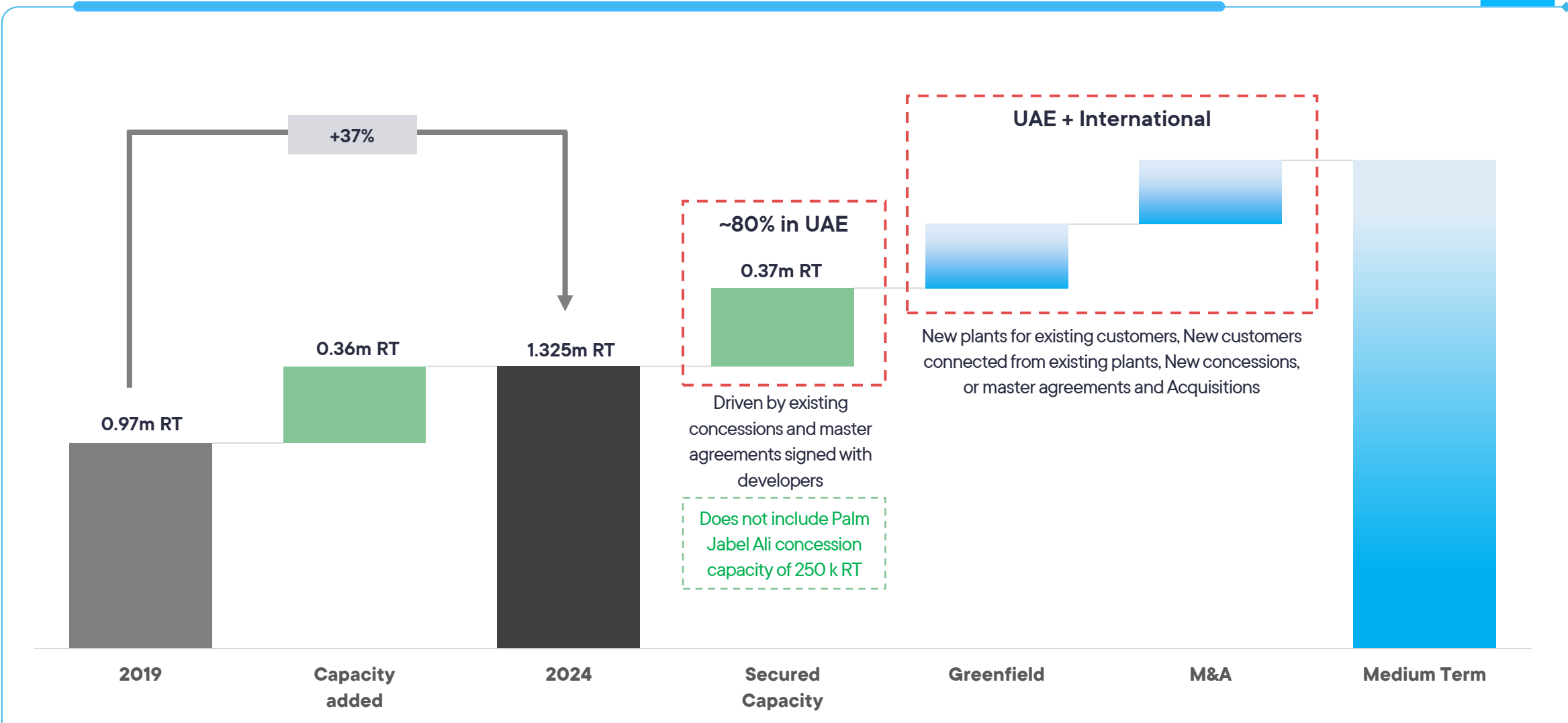


Guidance Reiterated



All figures in AED millions (unless stated explicitly) rounded to nearest whole number;

Significant future capacity secured, materialization of pipeline offers upside



Concluding Remarks - Strong growth opportunities for district cooling



Rapid Urbanization & Infrastructure Expansion

Large-scale urban developments (e.g. high-rise buildings & master communities, smart cities, mega-events like Expo) drive demand for efficient & centralized cooling systems



Energy Resilience & Decarbonisation Push

Emphasis on reducing energy consumption and carbon emissions in line with ambitious national targets (Net Zero by 2050) to increasingly push higher adoption of district cooling



Government Regulations

District cooling regulations (developed in UAE, with ongoing formulation in other countries) important to build confidence among various stakeholders to promote district cooling as economical and efficient alternative

District cooling offers remarkable energy efficiency of up to 50%, is highly reliable and up to 20% cost effective over a life cycle and therefore well positioned to capitalize on favorable market trends

Appendix

Connected Capacity and Volumes



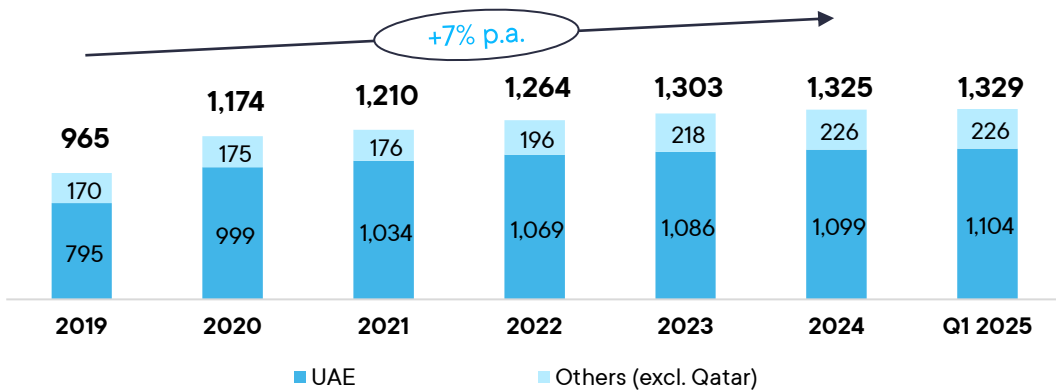
Consolidated	2020	2021	2022	2023	2024	Q1 2025
UAE	928	1,025	1,060	1,053	1,066	1,071
Bahrain	32	33	34	37	37	37
Oman	32	33	52	53	54	54
India	-	-	-	1	4	4
Egypt	-	-	-	3	4.5	4.5
Total Consolidated	992	1,091	1,146	1,146	1,166	1,171
Equity Accounted						
UAE	71	9	9	33	33	33
KSA	110	110	110	124	126	126
Total Equity Accounted¹	181	119	119	157	159	159
Total Capacity (k RT)	1,174	1,210	1,264	1,303	1,325	1,329
Consolidated Consumption Volumes (billion RTh)	1.70	2.10	2.35	2.53	2.66	0.31

1) Represents 100% share of equity accounted capacity, where Tabreed's share is 50% in UAE and 21.8% in KSA

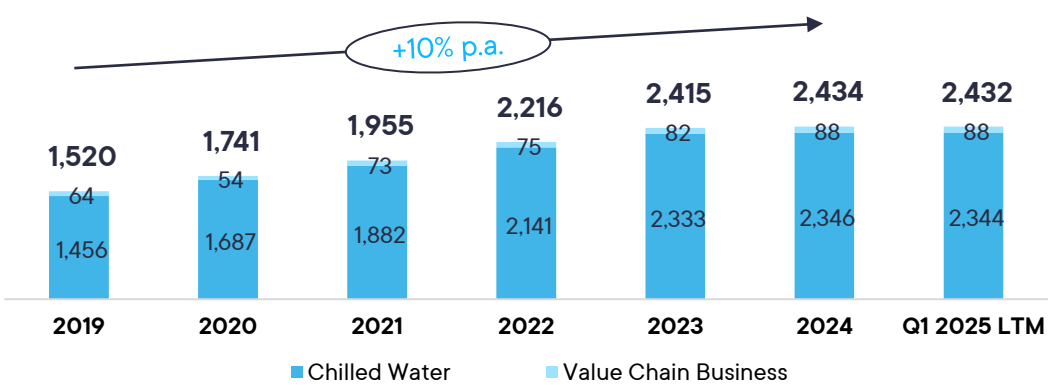
Delivered consistent growth and resilient margins



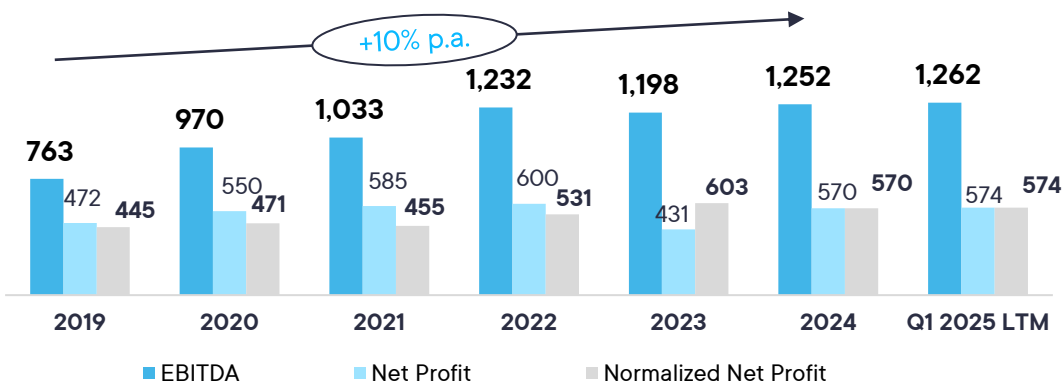
Group Connected Capacity (k RT)



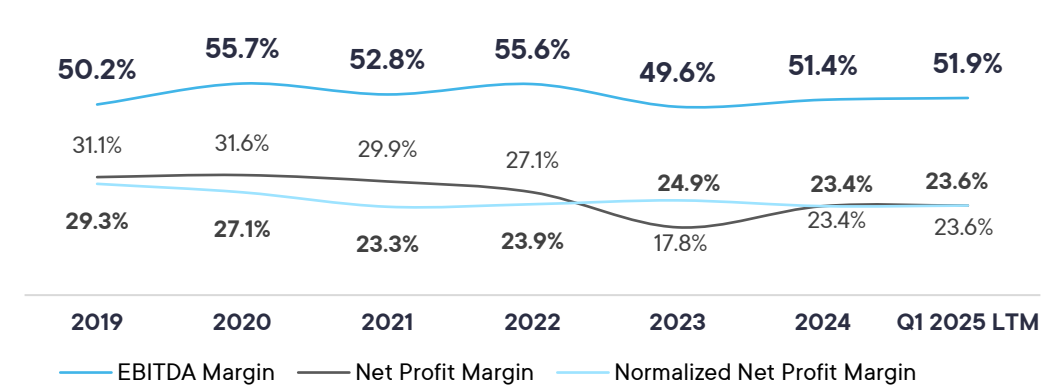
Group Revenue (AED million)



Group Profitability (AED million)



Group Profit Margins



Normalized Net Profit is calculated after excluding one-off gains and losses, which are non-recurring in nature

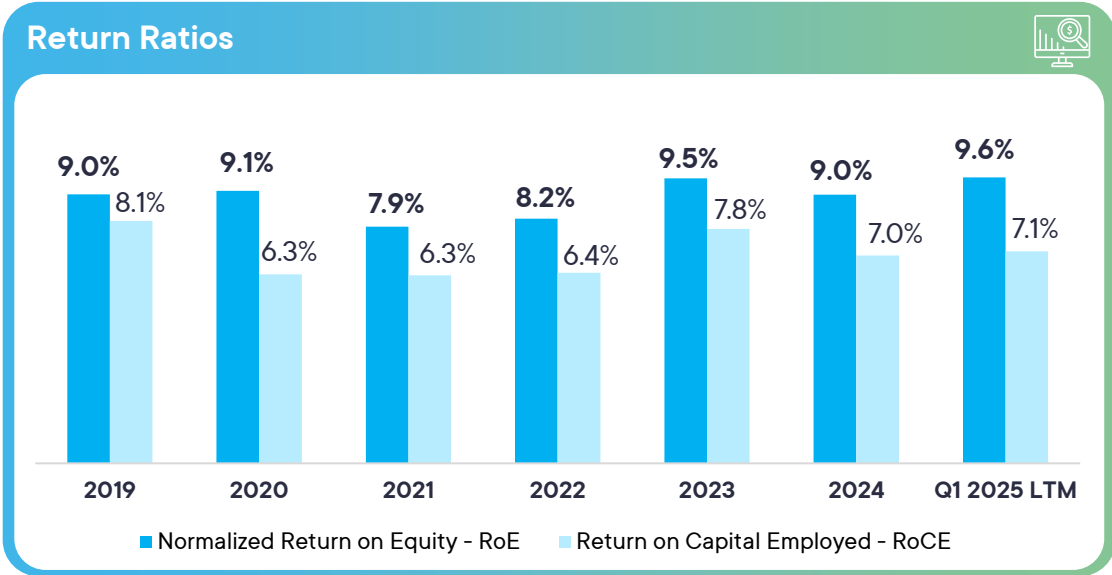
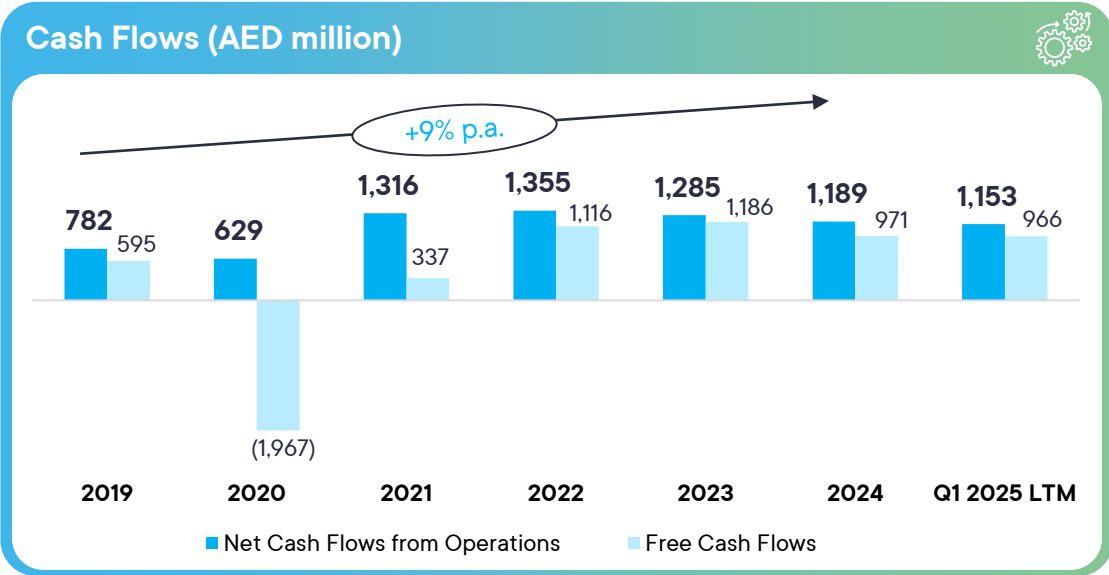
Robust cash flows and improving returns



Consistently growing cash flows and robust balance sheet provide a strong foundation to deliver attractive long-term returns for shareholders through combination of growth and sustainable dividend policy.

Committed to maintain Investment Grade credit rating, underscoring strong creditworthiness.

Return on Equity and Return on Capital Employed showing improving trends, reflecting ability to grow business and efficiently manage capital allocation.



Normalized Return on Equity is calculated after excluding one-off gains and losses from net profit ; Certain financial numbers for 2023 restated as per audited financial statements

Strategy



Tabreed aims to be the leader in sustainable cooling and associated services in the MENA region and beyond



Sustainability Framework



Tabreed's ESG framework is built on three core pillars



Net Zero commitment and decarbonization principles



Tabreed is actively pursuing a roadmap to achieve net zero emissions by 2050. The decarbonisation philosophy integrates pioneering technology and effective energy strategies and is guided by six core principles



Net Zero by 2050

→ Energy Efficiency & Optimisation

Expanding optimisation efforts across district cooling systems to achieve further reductions in energy consumption and emissions

→ Technology Upgrades

Upgrading the district cooling systems with the latest innovations to enhance operational efficiency and reduce environmental footprint

→ Renewable Energy Integration

Scaling renewable energy projects in the long term, including solar PV and geothermal technologies

→ Innovation & Strategic Partnerships

Strengthening partnerships with governments, industries, and communities to scale sustainable solutions and collectively address climate challenges

→ Supply Chain Management & Decarbonization

Collaborating with suppliers to align procurement practices with our Net Zero targets, ensuring environmentally sustainable and socially responsible sourcing

→ Compensating for Residual Emissions through Offsetting

Expanding the scope of Verified Carbon Standard certifications to include new district cooling plants, enabling participation in carbon markets

Some of the initiatives to enable sustainable use of energy and achieve positive environmental impact



Variable Frequency Drives (VFDs) Retrofit

Extensive retrofit of VFDs to increase energy efficiency - completed phase 3 of Tasheel programme



Nanofluid

Concluded the world's first pilot project of its kind, demonstrating results with significant gains in energy efficiency



Renewable Energy

Completed new Geothermal plant and investing in solar energy at key UAE locations

Responsible business practices for a positive environmental impact



Our sustainability efforts reflect the company's commitment to water and waste management to reduce consumption of potable water and other natural resources whilst simultaneously ensuring no harm to marine life



Water conservation and environmental sustainability

Demand Management and Use of Technology

Investing in upgrading and maintaining infrastructure and systems that increase water efficiency, reduce freshwater and resource consumption

Waste Management

Engaging environmental services providers for the management of hazardous materials and compliance with the framework of the regulation of trade effluent

Some of the initiatives to enable sustainable use of water and reduce waste



Utilization of TSE¹

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



Use of Sea Water

Utilizing sea water where possible, leading to substantial reductions in water consumption while ensuring no harm to marine ecosystems

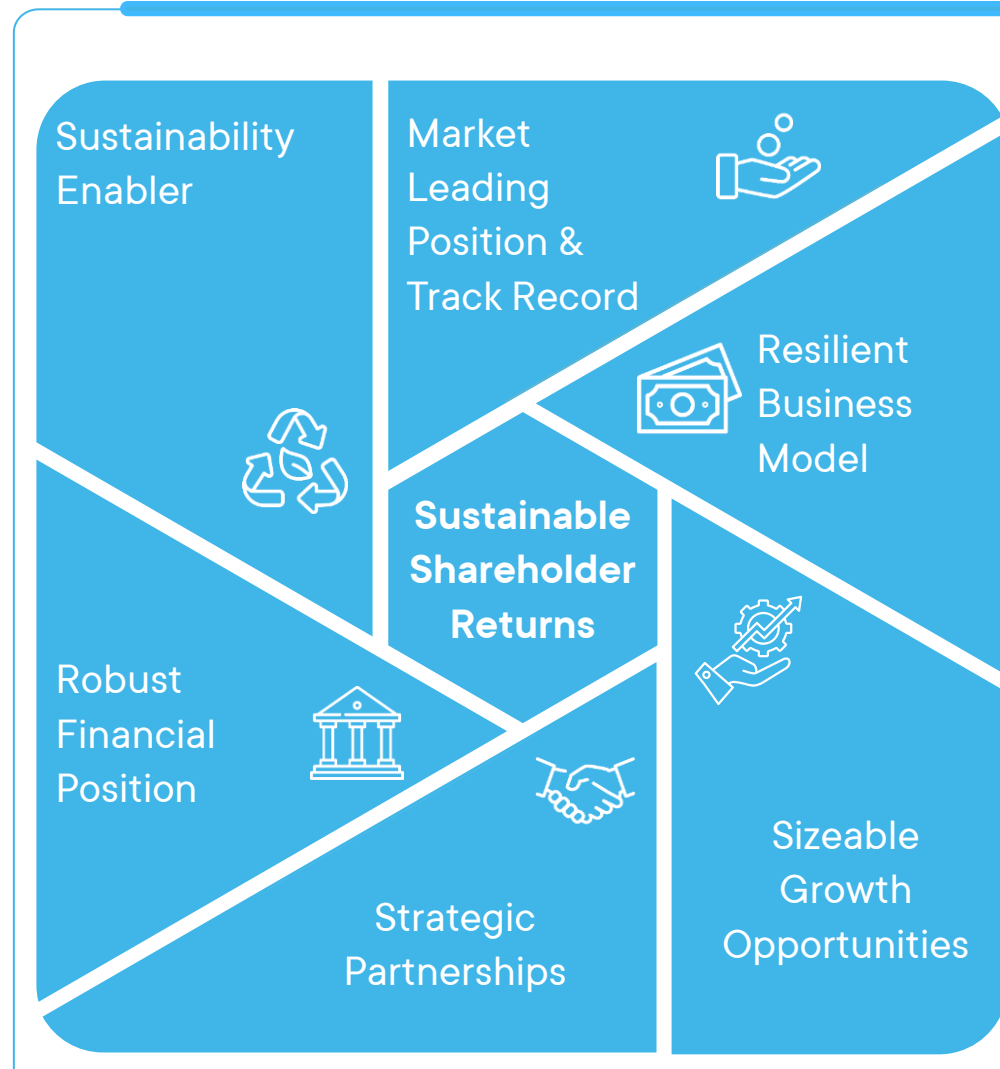


Management of Waste

Promoting reduce, reuse & recycle approach and active management of hazardous materials from various plants

¹) Refers to Treated Sewage Effluent ("TSE")

Tabreed's Investment Proposition



- Leading market position with 27 years of operational track record to provide safe, reliable and efficient cooling
- Long-term contracts with creditworthy customers underpin stability and high visibility of future cashflows
- Solid track record of delivering growth with connected capacity increasing by ~40% in the last five years
- Diversified presence in attractive markets poised to witness rising district cooling penetration, thereby sustaining growth momentum
- Leveraging partnership model to grow business and bring innovative technologies to district cooling sector
- Demonstrated ability to sustain growth, maintain investment grade credit rating and increase dividend returns over a long term
- Key partner in enabling significant energy savings and prevention of carbon emissions by offering sustainable district cooling



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