FitchRatings

Corporates
Utilities – Non-US
United Arab Emirates

National Central Cooling Company PJSC (Tabreed)

Ratings

National Central Cooling Company PJSC (Tabreed)	
Long-Term IDR	BBB
Senior Unsecured Debt - Long-Term Rating	BBB

Outlooks

Long-Term Foreign-Currency IDR	Stable

Click here for the full list of ratings

ESG and Climate

Highest ESG Relevance Scores

Environmental	3
Social	3
Governance	3

2035 Climate Vulnerability Signal: 45

Fitch Ratings' affirmation of National Central Cooling Company PJSC's (Tabreed) ratings reflects the company's strong position in its key UAE market, the cash-generative nature of its business with good cash flow visibility, and healthy profitability. The ratings also reflect Tabreed's moderate size, a short but improving record following the establishment of independent regulatory bodies in the sector in 2021-2022, and its geographical concentration.

The Stable Outlook reflects our expectation that funds from operations (FFO) net leverage will remain commensurate with its rating sensitivities through the forecast horizon to 2028.

Key Rating Drivers

Resilient Business Model: Fitch views Tabreed's business risk as low with utility-like features. A majority of its EBITDA is sourced from take-or pay agreements, which include a fixed-capacity charge and a variable consumption charge.

The fixed-capacity charge represents 55% of revenue, provides a return on investment, and is linked to inflation. Except for certain clients representing around a third of consumption volumes, the fixed-capacity charge is payable regardless of utilisation and is linked to inflation. The consumption charge represents 45% of revenue, allowing Tabreed to pass on the main variable costs, including electricity and water.

Healthy 2024 Results: Tabreed's revenues were AED2.4 billion in 2024, and Fitch-defined EBITDA was AED1.1 billion, both broadly flat year on year. Tabreed invested AED257 million during 2024 to expand its existing capacity and in two new plants in UAE and Oman. This was substantially below our capex forecast, due to delays in some real estate projects in the UAE, which are expected to be executed during 2025, and growth capex for new markets that did not materialise.

Following AED441 million in dividend distributions, free cash flow (FCF) totalled AED302 million in FY24 (financial year to end-2024), reflecting resilient cash flow generation. FFO net leverage stood at 3.6x at FYE24, well below our forecast of 4.1x.

Good Cash Flow Visibility: Tabreed's long-term commercial agreements typically last 25 years. Eighty-five percent of its contracted capacity is booked until 2034. We assess renewal risk as low, given generally high costs in switching to alternative cooling sources and, in some cases, Tabreed's exclusivity concession rights.

Geographical and Counterparty Concentration: Tabreed's operations remain concentrated in its core market of UAE. We forecast UAE to generate 92% of 2025-2028 revenues. Customer concentration is also high, with the top four customers representing 54% of revenues. Around 70% of the contracts are with governments and government-related entities. Despite a strong operating environment in UAE, geographical concentration and a moderate size are reflected in Tabreed's business profile and debt capacity.

FCF to Turn Negative: We forecast Tabreed to generate healthy cash flow from operations averaging AED0.9 billion a year over 2025-2028. However, due to capex and M&A of AED0.7 billion per year and our assumption of AED0.5 billion dividend payments per year, we expect FCF to turn negative from 2025, from an average positive AED0.5 billion over 2021-2024. However, a majority of capex in our rating case is uncommitted and related to new developments, allowing good flexibility in managing potential leverage peaks.

Applicable Criteria

Sukuk Rating Criteria (June 2022)
Corporate Rating Criteria (December 2024)
Parent and Subsidiary Linkage Rating Criteria (June 2023)
Corporate Recovery Ratings and Instrument Ratings Criteria (August 2024)
Sector Navigators – Addendum to the Corporate Rating Criteria (December 2024)

Related Research

Global Corporates Macro and Sector Forecasts

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Commensurate Financial Profile: Fitch forecasts FFO net leverage at 4.1x on average over 2025-2028, providing reasonable headroom to the negative sensitivity of 4.5x. We also forecast FFO interest coverage to remain at 4.4x over 2025-2028, comfortably within sensitivities. However, similar to last year, our rating case accounts for only a part of Tabreed's uncommitted new projects. If we incorporate all of its projects in our projections, rating headroom will be fully exhausted.

Strong Sector Fundamentals: Tabreed is the market leader in district cooling in Abu Dhabi (AA/Stable) and has a strong market position in Dubai. It also has a presence in Bahrain (B+/Negative), Oman (BB+/Positive), India (BBB-/Stable), Egypt (B/Stable) and equity participation in Saudi Arabia (A+/Stable). District cooling demand benefits from rising populations in Tabreed's key markets, concentration of economic activity in areas of high cooling density, and its higher efficiency and lower environmental impact than conventional air-conditioning.

Rating on Standalone Basis: We assess the links between Tabreed and its largest shareholder (42% stake) Mubadala Development Company PJSC under our *Parent and Subsidiary Linkage Rating Criteria*. While the parent has provided some financial support in the past, we assess Tabreed's legal, operational, and strategic links with Mubadala as weak, leading to a standalone rating.

Financial Summary

(AEDm)	2022	2023	2024	2025F	2026F	2027F
Gross revenue	2,216.2	2,415.5	2,433.8	2,535.6	2,656.1	2,862.1
EBITDA	1,085.4	1,106.0	1,095.5	1,257.8	1,303.8	1,371.4
EBITDA margin (%)	49.0	45.8	45.0	49.6	49.1	47.9
FFO net leverage (x)	4.6	4.1	3.6	3.9	4.1	4.3
FFO interest coverage (x)	4.4	4.7	6.5	4.9	4.7	4.2

Source: Fitch Ratings, Fitch Solutions

Rating Derivation Relative to Peers

The rating of Tabreed is higher than that of Nama Electricity Distribution Company SAOC (NEDC; BB+/Positive) and Oman Electricity Transmission Company SAOC (OETC; BB+/Stable), due to Tabreed's lower leverage. However, we assign Tabreed a slightly lower debt capacity than NEDC and OETC, which generate their revenues from fully regulated activities with minimal volume and price risks, but have no geographical diversification.

We view Tabreed's debt capacity as slightly higher than that of its Spanish peer FCC Aqualia, S.A. (BBB-/Stable). FCC Aqualia is larger in scale but Tabreed has higher profitability. The two companies have similar revenue visibility, supported by long-term contracts of up to 25 years. Both issuers operate in one main country (Spain for FCC Aqualia and the UAE for Tabreed), but also have some diversification across other markets. The rating differential is mainly explained by their differing leverage.

Navigator Peer Comparison

	IDR/Outlook	Operating Environment	Management and Corporate Governance	Revenue Visibility	Regulatory Environment	Market Position	Asset Base and Operations	Profitability	Financial Structure	Financial Flexibility
Abu Dhabi National Energy Company PJSC	AA/Stable	a	bbb	bbb+	bbb	a-	bbb	bbb+	bbb	bbb+
National Central Cooling Company PJSC (Tabreed)	BBB/Stable	bbb	bbb	bbb	bbb-	bbb	bbb-	bbb	bbb	bbb-
Saudi Electricity Company	A+/Stable	a-	bbb	bbb	bbb-	bbb	bbb-	bbb	a-	bbb

Source: Fitch Ratings — **Relative Importance of Factor**: Higher / Moderate / Lower

Name	IDR/Outlook	Operating Environment	Management and Corporate Governance	Revenue Visibility	Regulatory Environment	Market Position	Asset Base and Operations	Profitability	Financial Structure	Financial Flexibility
Abu Dhabi National Energy Company PJSC	AA/Stable	-3	-6	-5	-6	-4	-6	-5	-6	-5
National Central Cooling Company PJSC (Tabreed)	BBB/Stable	0	0	0	-1	0	-1	0	0	-1
Saudi Electricity Company	A+/Stable	-2	-4	-4	-5	-4	-5	-4	-2	-4

Source: Fitch Ratings — **Factor Score Relative to IDR**: Worse positioned than IDR / Within one notch of IDR / Better positioned than IDR

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- Aggressive debt-funded acquisitions, weaker cash flow generation, or a more generous dividend policy leading to FFO net leverage above 4.5x and FFO interest cover below 4x on a sustained basis
- A material reduction in contracted revenue, an increase in contract renewal risk, and a significant reduction in the term of contracts, leading to weak visibility and earnings instability

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- FFO net leverage below 3.5x and FFO interest cover above 4.5x on a sustained basis
- Material increase in size and geographical diversification to countries with strong operating environments

Liquidity and Debt Structure

At end-2024, Tabreed had AED1 billion of available cash and cash equivalents and AED600 million of undrawn committed facilities with maturity in 2028. This compares weakly with our forecast of negative FCF of AED77 million in 2025 and AED3.5 billion of debt maturities in the same year (including AED2.5 billion syndicated facilities maturing in March 2025 and AED946 million sukuk maturing in October 2025).

However, Tabreed plans to raise debt on the capital market to refinance its upcoming debt maturities. In case of any delay, the company has access to a AED2.5 billion bridge loan that can be used to repay its debt maturity in March 2025.

ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, click here.

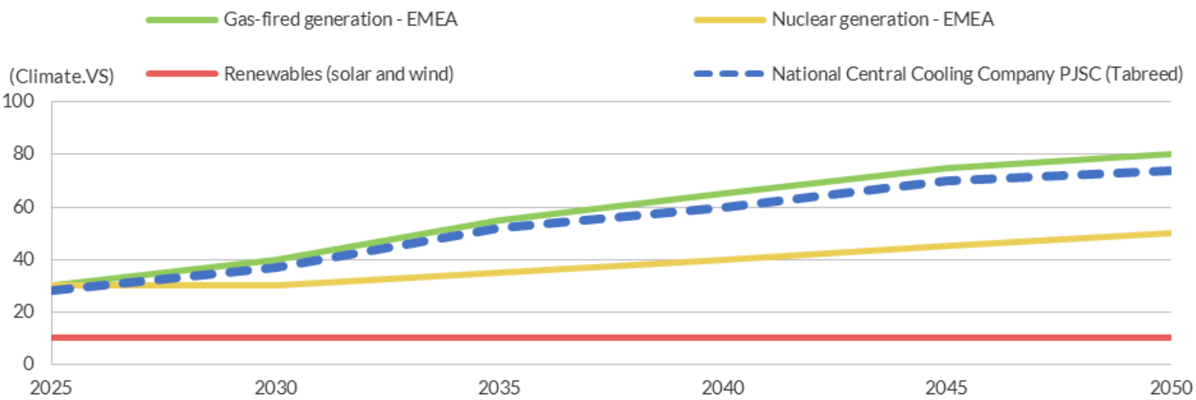
Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify sectors and Fitch-rated issuers that are potentially most exposed to credit-relevant climate transition risks and, therefore, require additional consideration of these risks in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk). For more information on Climate.VS, see Fitch's Corporate Rating Criteria. For more detailed, sector-specific information on how Fitch perceives climate-related transition risks, see Climate Vulnerability Signals for Non-Financial Corporate Sectors.

The FY24 revenue-weighted Climate.VS for Tabreed for 2035 is 52 out of 100, above average compared with sector peers.

Tabreed is exposed to credit-relevant climate transition risks through consumption of electricity for cooling towers, which is produced with CO2 emissions. Tabreed is committed to energy efficiency and to the decarbonization of its operations. The company's target is to reach Net Zero by 2050, in line with the UAE's strategy. In this respect, Tabreed focuses on energy efficiency of its cooling towers and developing renewable energy, like solar or geothermal, to run its operations with clean energy sources.

Climate.VS Evolution
As of Dec 31, 2024



Source: Fitch Ratings

Liquidity and Debt Maturities

Liquidity Analysis

(AEDm)	2025F	2026F	2027F
Available liquidity			
Beginning cash balance	1,017	3	-505
Rating case FCF after acquisitions and divestitures	-77	-491	-570
Sukuk issuance (USD700m)	2,593	—	—
Total available liquidity (A)	**3,532**	**-488**	**-1,074**
Liquidity uses			
Debt maturities	-3,529	-17	-1,892
Total liquidity uses (B)	**-3,529**	**-17**	**-1,892**
Liquidity calculation			
Ending cash balance (A+B)	3	-505	-2,966
Revolver availability	600	600	600
Ending liquidity	**603**	**95**	**-2,366**
Liquidity score (x)	1.2	6.6	-0.3

Source: Fitch Ratings, Fitch Solutions, National Central Cooling Company PJSC (Tabreed)

Scheduled Debt Maturities

(AEDm)	31 Dec 24
2025	3,529
2026	17
2027	1,892
Thereafter	18
Total	**5,456**

Source: Fitch Ratings, Fitch Solutions, National Central Cooling Company PJSC (Tabreed)

Key Assumptions

Fitch's Key Assumptions Within Our Rating Case for the Issuer

- Fitch CPI forecasts for the UAE at 1.5% in 2025-2026
- Average yearly revenue growth of 5.4% over 2025-2028
- Average EBITDA margin at 49% over 2025-2028, with EBITDA reaching AED1.5 billion in 2028
- Capex to average AED688 million a year over 2025-2028
- Dividend payout ratio of 85% over 2025-2028

Financial Data

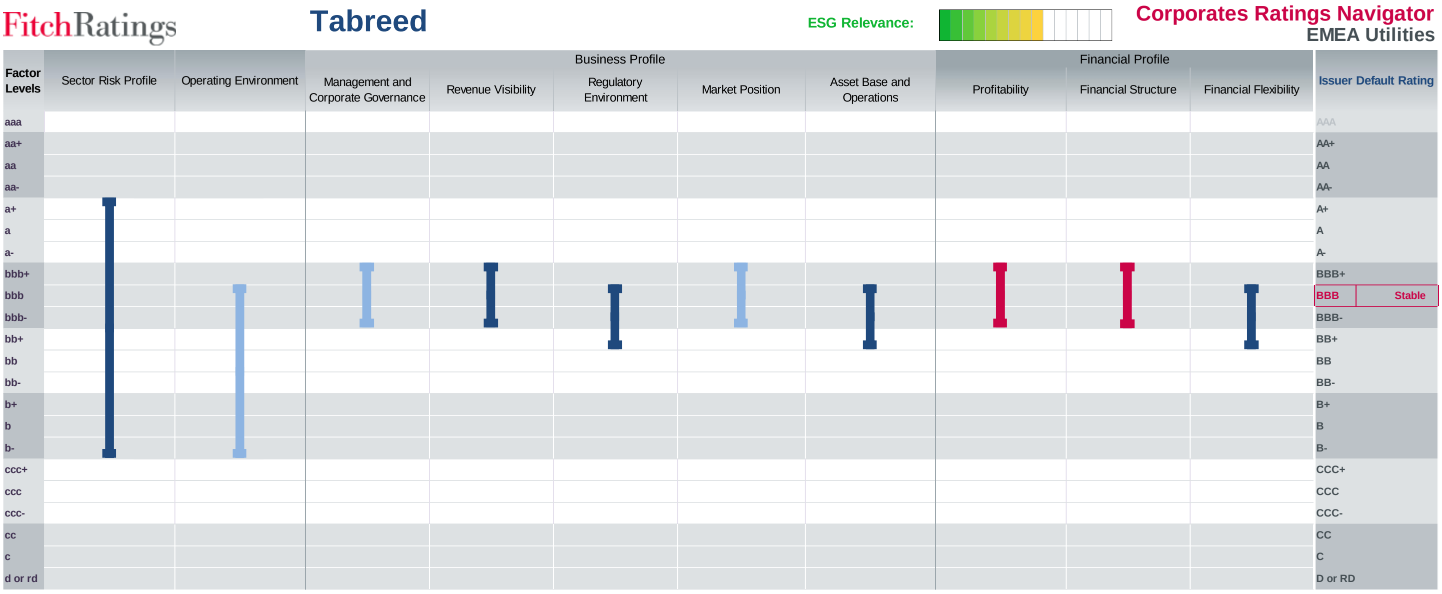
(AEDm)	2022	2023	2024	2025F	2026F	2027F
Summary income statement						
Gross revenue	2,216	2,415	2,434	2,536	2,656	2,862
Revenue growth (%)	13.4	9.0	0.8	4.2	4.8	7.8
EBITDA before income from associates	1,085	1,106	1,096	1,258	1,304	1,371
EBITDA margin (%)	49.0	45.8	45.0	49.6	49.1	47.9
EBITDA after associates and minorities	1,046	1,069	1,089	1,225	1,277	1,339
EBIT	790	793	781	944	960	994
EBIT margin (%)	35.6	32.8	32.1	37.2	36.1	34.7
Gross interest expense	-251	-226	-173	-237	-255	-298
Pretax income including associate income/loss	634	785	662	802	805	790
Summary balance sheet						
Readily available cash and equivalents	1,756	1,508	1,017	1,003	766	556
Debt	7,092	6,209	5,456	5,483	5,678	6,009
Net debt	5,336	4,701	4,439	4,480	4,912	5,454
Summary cash flow statement						
EBITDA	1,085	1,106	1,096	1,258	1,304	1,371
Cash interest paid	-259	-240	-187	-237	-255	-298
Cash tax	—	—	—	-72	-74	-76
Dividends received less dividends paid to minorities (inflow/outflow)	-39	-37	-7	-33	-27	-33
Other items before FFO	103	70	131	—	—	—
FFO	909	958	1,069	936	968	980
FFO margin (%)	41.0	39.7	43.9	36.9	36.4	34.2
Change in working capital	131	107	-69	-42	-40	-38
CFO (Fitch-defined)	1,040	1,065	1,000	894	928	942
Total non-operating/nonrecurring cash flow	—	—	—	—	—	—
Capex	-184	-180	-257	—	—	—
Capital intensity (capex/revenue) (%)	8.3	7.5	10.6	—	—	—
Common dividends	-166	-384	-441	—	—	—
FCF	689	501	302	—	—	—
FCF margin (%)	31.1	20.8	12.4	—	—	—
Net acquisitions and divestitures	—	68	—	—	—	—
Other investing and financing cash flow items	-72	-41	-2	—	—	—
Net debt proceeds	-41	-792	1	27	195	331
Net equity proceeds	—	—	—	—	—	—
Total change in cash	576	-263	-487	-14	-237	-210
Calculations for forecast publication						
Capex, dividends, acquisitions and other items before FCF	-351	-496	-698	-971	-1,419	-1,512
FCF after acquisitions and divestitures	689	569	302	-77	-491	-570
FCF margin after net acquisitions (%)	31.1	23.6	12.4	-3.0	-18.5	-19.9
Gross leverage ratios (x)						
EBITDA leverage	6.8	5.8	5.0	4.5	4.4	4.5
(CFO-capex)/debt	12.1	14.3	13.6	7.4	2.0	0.6
Net leverage ratios (x)						
EBITDA net leverage	5.1	4.4	4.1	3.7	3.8	4.1
(CFO-capex)/net debt	16.0	18.8	16.8	9.1	2.4	0.7
Coverage ratios (x)						
EBITDA interest coverage	4.0	4.5	5.8	5.2	5.0	4.5

CFO – Cash flow from operations
Source: Fitch Ratings, Fitch Solutions

How to Interpret the Forecast Presented

The forecast presented above is based on Fitch Ratings' internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch Ratings to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch Ratings' rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch Ratings' forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch Ratings' own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch Ratings' own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch Ratings may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch Ratings' own internal deliberations, where Fitch Ratings, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch Ratings may update the forecast in future reports but assumes no responsibility to do so. Original financial statement data for historical periods is processed by Fitch Solutions on behalf of Fitch Ratings. Key financial adjustments and all financial forecasts credited to Fitch Ratings are generated by rating agency staff.

Ratings Navigator



Bar Chart Legend:	
Vertical Bars = Range of Rating Factor	Bar Arrows = Rating Factor Outlook
Bar Colors = Relative Importance	Positive
Higher Importance	Negative
Average Importance	Evolving
Lower Importance	Stable

Tabreed

Corporates Ratings Navigator
EMEA Utilities

Operating Environment

bbb+	Economic Environment	bbb	Average combination of countries where economic value is created and where assets are located.
bbb	Financial Access	bb	Below-average combination of issuer-specific funding characteristics and the strength of the relevant local financial market.
	Systemic Governance	aa	Systemic governance (eg rule of law, corruption, government effectiveness) of the issuer's country of incorporation consistent with 'aa'.
b-			
ccc+			

Management and Corporate Governance

a-	Management Strategy	bbb	Strategy may include opportunistic elements but soundly implemented.
bbb+	Governance Structure	bbb	Good governance track record but board effectiveness/independence less obvious. No evidence of abuse of power even with ownership concentration.
bbb	Group Structure	bbb	Some group complexity leading to somewhat less transparent accounting statements. No significant related-party transactions.
bbb-	Financial Transparency	bbb	Good-quality reporting without significant failings. Consistent with the average of listed companies in major exchanges.
bb+			

Revenue Visibility

a-	Size and Integration	bbb	Top-tier position in at least one market. Partially integrated (typically including generation, distribution and supply).
bbb+	Earnings from Regulated Network Assets	b	Minimal EBITDA comes from high-quality regulated networks or quasi-regulated assets.
bbb	Quasi-Regulated Earnings	a	Over 20% of EBITDA comes from quasi-regulated assets in markets or from long-term contracted sales with creditworthy counterparties.
bbb-			
bb+			

Regulatory Environment

bbb+	Regulatory Framework and Policy Risk	bbb	Less transparent frameworks, with emerging track record and multi-year tariffs; exposed to political risk. Medium-term predictability.
bbb	Cost Recovery and Risk Exposure	bbb	Tariff setting that may limit efficiently incurred cost and investment recovery, with moderate regulatory lag, price and volume risk.
bbb-			
bb+			
bb			

Market Position

a-	Fundamental Market Trends	a	Structurally balanced markets.
bbb+	Generation and Supply Positioning	bbb	Average position in the merit order; short term hedging. Generation largely balanced with medium position in supply and services.
bbb	Customer Base and Counterparty Risk	bbb	Economy of area served provides structurally stable background; medium counterparty risk; fair collection rates for supply operations.
bbb-			
bb+			

Asset Base and Operations

bbb+	Asset Quality	bbb	Mid-range asset quality not likely to affect opex and capex requirements compared with peers.
bbb	Asset Diversity	bb	Limited diversification by geography, generation source, supplied product.
bbb-	Carbon Exposure	bbb	Energy production balanced between clean and thermal sources; medium carbon exposure (< 450gCO_2/kWh).
bb+			
bb			

Profitability

a-	Free Cash Flow	bbb	Structurally neutral to negative FCF across the investment cycle.
bbb+	Volatility of Profitability	bbb	Stability and predictability of profits in line with utility peers.
bbb			
bbb-			
bb+			

Financial Structure

a-	FFO Leverage	bbb	5.0x
bbb+	FFO Net Leverage	bbb	4.5x
bbb			
bbb-			
bb+			

Financial Flexibility

bbb+	Financial Discipline	bb	Financial policies in place but flexibility in applying them could lead to temporarily exceeding downgrade guidelines.
bbb	Liquidity	bbb	One-year liquidity ratio above 1.25x. Well-spread debt maturity schedule but funding may be less diversified.
bbb-	FFO Interest Coverage	bbb	4.5x
bb+	FX Exposure	bbb	Some FX exposure on profitability and/or debt/cash flow match. Effective hedging.
bb			

Credit-Relevant ESG Derivation

Tabreed has 13 ESG potential rating drivers

- Emissions from operations
- Fuel use to generate energy
- Water used by hydro plants or by other generation plants; effluent management
- Impact of waste from operations
- Plants' and networks' exposure to extreme weather
- Product affordability and access

Showing top 6 issues

			Overall ESG
key driver	0	issues	5
driver	0	issues	4
potential driver	13	issues	3
not a rating driver	1	issues	2
	0	issues	1

How to Read This Page: The left column shows the three-notch band assessment for the overall Factor, illustrated by a bar. The right column breaks down the Factor into Sub-Factors, with a description appropriate for each Sub-Factor and its corresponding category.

FitchRatings **Tabreed** **Corporates Ratings Navigator** EMEA Utilities

Credit-Relevant ESG Derivation

Tabreed has 13 ESG potential rating drivers

- Tabreed has exposure to emissions regulatory risk but this has very low impact on the rating.
- Tabreed has exposure to energy productivity risk but this has very low impact on the rating.
- Tabreed has exposure to water management risk but this has very low impact on the rating.
- Tabreed has exposure to waste & impact management risk but this has very low impact on the rating.
- Tabreed has exposure to extreme weather events but this has very low impact on the rating.
- Tabreed has exposure to access/affordability risk but this has very low impact on the rating.

Showing top 6 issues

			ESG Relevance to Credit Rating
key driver	0	issues	5
driver	0	issues	4
potential driver	13	issues	3
not a rating driver	1	issues	2
	0	issues	1

Environmental (E) Relevance Scores

General Issues	E Score	Sector-Specific Issues	Reference	E Relevance
GHG Emissions & Air Quality	3	Emissions from operations	Asset Base and Operations; Profitability and Cash Flow	5
Energy Management	3	Fuel use to generate energy	Asset Base and Operations; Market Trends and Risks; Profitability and Cash Flow	4
Water & Wastewater Management	3	Water used by hydro plants or by other generation plants; effluent management	Asset Base and Operations; Market Trends and Risks; Profitability and Cash Flow	3
Waste & Hazardous Materials Management; Ecological Impacts	3	Impact of waste from operations	Asset Base and Operations; Profitability and Cash Flow	2
Exposure to Environmental Impacts	3	Plants' and networks' exposure to extreme weather	Asset Base and Operations; Profitability and Cash Flow	1

Social (S) Relevance Scores

General Issues	S Score	Sector-Specific Issues	Reference	S Relevance
Human Rights, Community Relations, Access & Affordability	3	Product affordability and access	Profitability and Cash Flow; Regulation	5
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Quality and safety of products and services; data security	Profitability and Cash Flow	4
Labor Relations & Practices	3	Impact of labor negotiations and employee (dis)satisfaction	Profitability and Cash Flow; Financial Structure; Financial Flexibility	3
Employee Wellbeing	2	Worker safety and accident prevention	Profitability and Cash Flow; Financial Structure; Financial Flexibility	2
Exposure to Social Impacts	3	Social resistance to major projects that leads to delays and cost increases	Asset Base and Operations; Profitability and Cash Flow	1

Governance (G) Relevance Scores

General Issues	G Score	Sector-Specific Issues	Reference	G Relevance
Management Strategy	3	Strategy development and implementation	Management and Corporate Governance	5
Governance Structure	3	Board independence and effectiveness; ownership concentration	Management and Corporate Governance	4
Group Structure	3	Complexity, transparency and related-party transactions	Management and Corporate Governance	3
Financial Transparency	3	Quality and timing of financial disclosure	Management and Corporate Governance	2
				1

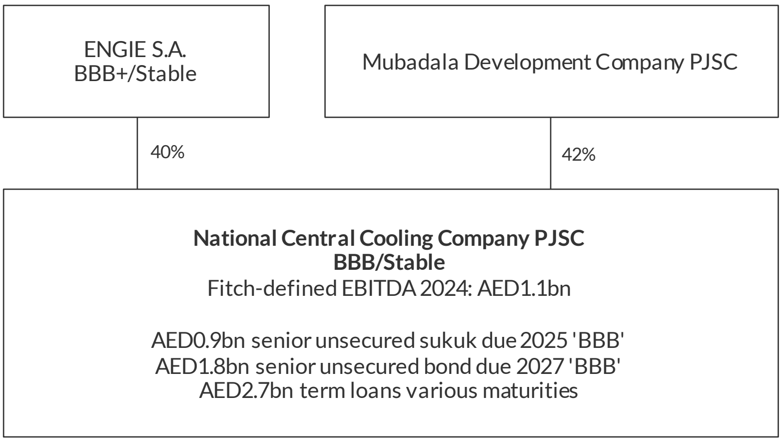
How to Read This Page
ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.
The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.
The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.
Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

CREDIT-RELEVANT ESG SCALE

How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

Simplified Group Structure Diagram



Source: Fitch Ratings, Fitch Solutions, Tabreed. As at 31 December 2024

Peer Financial Summary

Company	Issuer Default Rating	Financial statement date	Gross revenue (USDm)	EBITDA (USDm)	EBITDA margin (%)	FFO net leverage (x)	FFO interest coverage (x)
National Central Cooling Company PJSC (Tabreed)	BBB						
	BBB	2024	663	298	45.0	3.6	6.5
	BBB	2023	658	301	45.8	4.1	4.7
	BBB	2022	604	296	49.0	4.6	4.4
	BBB	2021	532	234	43.9	5.9	4.4
Oman Electricity Transmission Company SAOC	BB+						
	BB+	2023	405	332	82.0	6.2	3.1
	BB+	2022	370	304	82.2	6.5	3.1
	BB–	2021	339	289	85.2	5.9	3.5
Nama Electricity Distribution Company SAOC	BB+						
	BB+	2023	606	347	57.2	6.9	3.2
	BB–	2022	300	203	67.5	5.9	2.8
	BB–	2021	960	204	21.3	6.8	3.2
FCC Aqualia, S.A.	BBB–						
	BBB–	2023	1,630	411	25.2	5.2	4.3
	BBB–	2022	1,411	353	25.0	5.9	5.0
	BBB–	2021	1,195	246	20.6	4.8	6.9
Abu Dhabi National Energy Company PJSC	AA						
	AA–	2023	14,082	5,222	37.1	2.9	6.1
	AA–	2022	13,606	5,522	40.6	2.9	6.4
	AA–	2021	12,441	5,238	42.1	3.2	5.7
Saudi Electricity Company	A+						
	A	2023	20,088	8,796	43.8	3.4	5.7
	A	2022	19,221	9,796	51.0	2.5	8.4
	A–	2021	18,490	10,281	55.6	2.6	8.6

Source: Fitch Ratings, Fitch Solutions

Fitch Adjusted Financials

(AEDm as of 31 Dec 24)	Notes and formulas	Standardised values	Cash adjustment	Lease treatment	Other adjustments	Adjusted values
Income statement summary						
Revenue		2,434	—	—	—	2,434
EBITDA	(a)	1,139	—	-43	-0	1,096
Depreciation and amortisation		-346	—	31	-0	-315
EBIT		793	—	-12	-0	781
Balance sheet summary						
Debt	(b)	5,456	—	—	—	5,456
Of which other off-balance-sheet debt		—	—	—	—	—
Lease-equivalent debt		—	—	—	—	—
Lease-adjusted debt		5,456	—	—	—	5,456
Readily available cash and equivalents	(c)	1,023	-6	—	0	1,017
Not readily available cash and equivalents		—	6	—	—	6
Cash flow summary						
EBITDA	(a)	1,139	—	-43	-0	1,096
Dividends received from associates less dividends paid to minorities	(d)	-7	—	—	—	-7
Interest paid	(e)	-200	—	12	-0	-187
Interest received	(f)	36	—	—	—	36
Preferred dividends paid	(g)	—	—	—	—	—
Cash tax paid		—	—	—	—	—
Other items before FFO		131	—	—	—	131
FFO	(h)	1,100	—	-31	0	1,069
Change in working capital		-69	—	—	—	-69
CFO	(i)	1,031	—	-31	0	1,000
Non-operating/nonrecurring cash flow		—	—	—	—	—
Capex	(j)	-257	—	—	—	-257
Common dividends paid		-441	—	—	—	-441
FCF		333	—	-31	0	302
Gross leverage (x)						
EBITDA leverage	b/(a+d)	4.8	—	—	—	5.0
FFO leverage	b/(h-e-f-g)	4.3	—	—	—	4.5
(CFO-capex)/debt (%)	(i+j)/b	14.2	—	—	—	13.6
Net leverage (x)						
EBITDA net leverage	(b-c)/(a+d)	3.9	—	—	—	4.1
FFO net leverage	(b-c)/(h-e-f-g)	3.5	—	—	—	3.6
(CFO-capex)/net debt (%)	(i+j)/(b-c)	17.5	—	—	—	16.8
Coverage (x)						
EBITDA interest coverage	(a+d)/(-e)	5.7	—	—	—	5.8
FFO interest coverage	(h-e-f-g)/(-e-g)	6.3	—	—	—	6.5

CFO – Cash flow from operations
Note: The standardised items presented above are based on Fitch's taxonomy for the given sector and region. Reported items may not match the Fitch taxonomy, but they are captured into corresponding lines accordingly.
Debt includes other off-balance-sheet debt.
Debt in the standardised values column excludes lease liabilities of AED191.858 million.
Source: Fitch Ratings, Fitch Solutions, National Central Cooling Company ...

SOLICITATION & PARTICIPATION STATUS

For information on the solicitation status of the ratings included within this report, please refer to the solicitation status shown in the relevant entity's summary page of the Fitch Ratings website.

For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.