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tabreed Sustainable Cooling

Annual Integrated Report **2024**

essential for progress

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Overview

WHO WE ARE

The preferred partner for sustainable cooling

Tabreed, established in 1998, is a leading international district cooling company operating across the GCC, as well as in Egypt and India. Known for its highly reliable, efficient, and environmentally friendly cooling solutions, Tabreed delivers 1.325 million refrigeration tons of cooling across 92 plants. The company provides cooling to some of the most iconic projects in the UAE such as the Sheikh Zayed Grand Mosque, Louvre Abu Dhabi, Burj Khalifa, The Dubai Mall, Dubai Metro, Ferrari World, Warner Brothers, Sea World, amongst many others.

6 **Countries**

UAE, Saudi Arabia, Oman, Bahrain, Egypt and India

Further international expansion targeted

92 Operating plants

1.32 m RT cooling delivered to clients

Equivalent to cooling **130** towers the size of Burj Khalifa

RT refers to refrigeration tons, a unit used to measure cooling capacity

EXCLUSIVE PROVIDER OF DC SERVICES TO SEVERAL ICONIC PROJECTS

- Burj Khalifa
- Cleveland Clinic Abu Dhabi
- Sheikh Zayed Grand Mosque
- Yas Marina Circuit
- Yas Mall
- Rosewood Abu Dhabi
- Abu Dhabi Global Market Square
- Dubai Metro
- Ferrari World
- SeaWorld Abu Dhabi
- Dubai Parks and Resorts
- Yas Waterworld
- Louvre Abu Dhabi
- Etihad Towers

WHAT WE DO

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

Business Segments

Chilled Water

96%

Of revenue

Design, Build, Operate and Maintain district cooling systems and Distribution and Sales of chilled water for use in district cooling technologies

Value Chain

4%

Of revenue

Supports core chilled water business by providing manufactured products (pre-insulated pipes) and other services such as water treatment, customer billing & collection, energy efficiency consultancy etc.

Vision

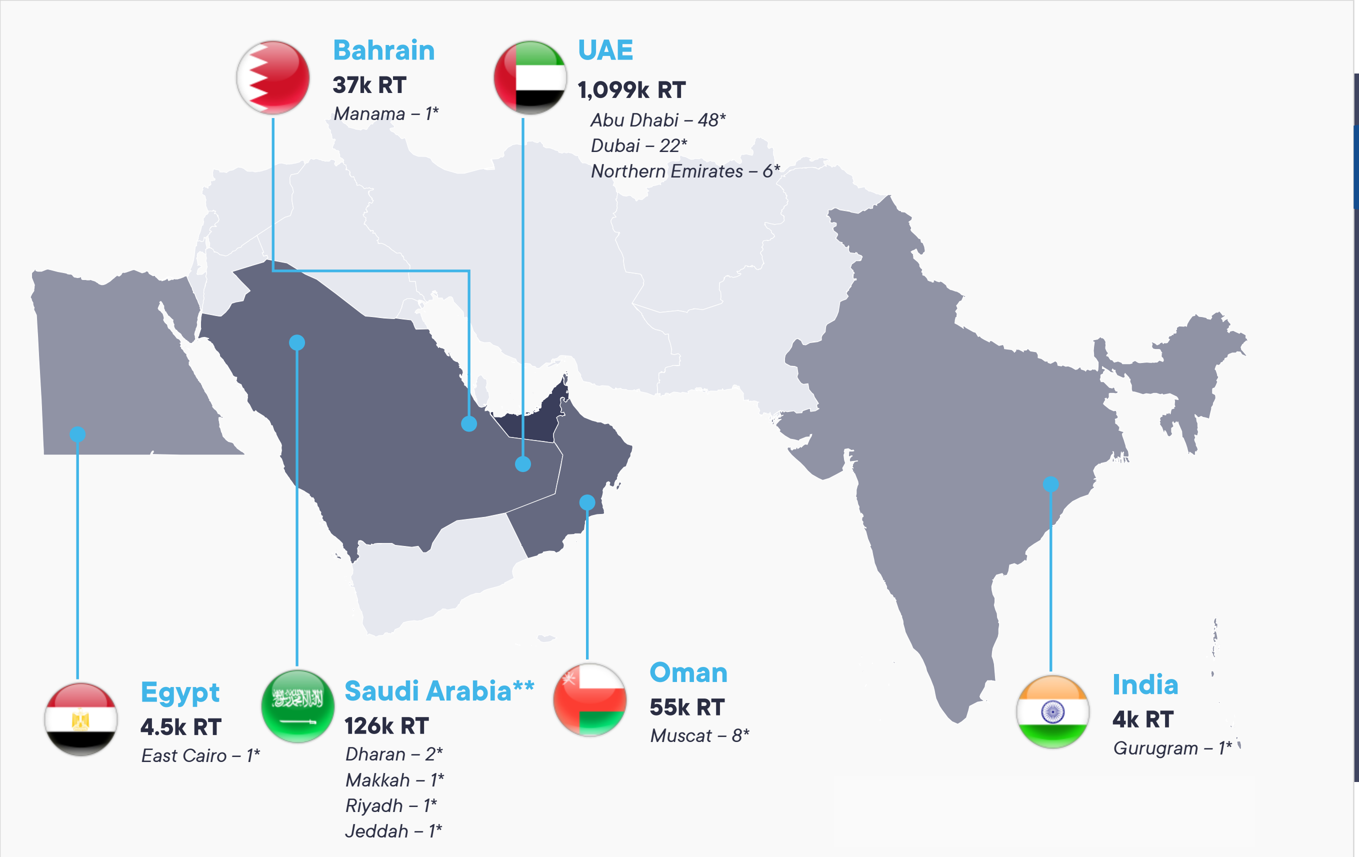
To be the leading cooling provider by utilizing sustainable, reliable & cost-efficient energy solutions

Mission

Creating value by optimizing, innovating and striving for operational excellence to exceed stakeholder expectations, whilst protecting people, assets and environment.

WHERE WE OPERATE

Diversified presence across GCC and beyond



Connected Capacity Split

UAE	83.0%
Saudi Arabia	9.5%
Bahrain	2.8%
Oman	4.1%
Egypt	0.3%
India	0.3%

** Represents number of plants; ** Represents 100% of capacity, where Tabreed's share is 21.8%*

AWARDS & RECOGNITIONS

Executive summary

- Extel (formerly Institutional Investors) Survey: # 1 in Emerging EMEA Utilities
- International Finance Award: Best Finance Team Award - Utilities; Best IR Team Award – Utilities
- Extel Europe and Emerging EMEA IR Awards: Top 5 IR Program in Energy Sector
- OnCon Awards: Top 10 Finance Team Award
- International Business Magazine: Best CFO UAE; Best Finance Leader of the Year UAE and Best Use of Technology in Finance Awards
- MEIRA IR Awards: Best ESG Report in the Middle East – Midcap sector, #2 in Most Improved IR Program in the GCC
- IDEA Awards: Total Number of Buildings Added or Recommitted – Silver Award; Total Square Footage Added or Recommitted – Silver Award
- Asian Power Awards 2024: Renewable Projects (Geothermal DCP) – Gold Award; DC Initiative of the Year – UAE (Nano-particle additive in CW System)
- Gulf Sustainability Award: Best Employee Well-Being – Silver Award
- Global ESG Awards: Health and Well-being Programs – Gold Award
- HRM Summit Awards – Bahrain: People-Focused CEO of the Year"

OPERATIONAL HIGHLIGHTS IN 2024

Connected Capacity

+1.6%
1.325 million RT

Grown at a **7%** CAGR over 2019 to 2024

Consumption Volumes

+5.0%
2.66 billion RTH

Grown at a **12%** CAGR over 2019 to 2024

New Connections

+23.8k RT
UAE: 15.9k RT, Oman: 1.8k RT, India: 3.0k RT, Saudi: 1.5k RT, Egypt: 1.5k RT

Added **~380k RT** over 2020 to 2024 or **77k RT** per year (incl. acquisitions)

FINANCIAL HIGHLIGHTS

Revenue

(AED million)

2024	2,434
2023	2,415
2022	2,216

EBITDA[1]

(AED million)

2024	1,252
2023	1,198
2022	1,232

Normalized Net Profit[2]

(AED million)

2024	570
2023	603
2022	531

Net Operating Cash Flows

(AED million)

2024	1,189
2023	1,285
2022	1,355

Net Debt to EBITDA

(x)

2024	3.7
2023	4.1
2022	4.5

Net Debt to Capital

(%)

2024	37%
2023	37%
2022	38%

Key Ratios 2024

51.4% EBITDA Margin

23.4% Normalized Net Profit Margin

9.0% Return on Equity

11.4% Free Cash Flow Yield

5.2% Dividend Yield

Free Cash Flow yield and Dividend yield at a share price of AED 3.0 as on 31 December 2024 and Board recommended dividend of 15.5 fils for 2024

1) EBITDA is computed by the management as Operating income plus depreciation and amortization, including finance lease amortization; 2) Excluding one-offs

SUSTAINABILITY HIGHLIGHTS

2.64 billion kWh
reduction in energy consumption in 2024

=

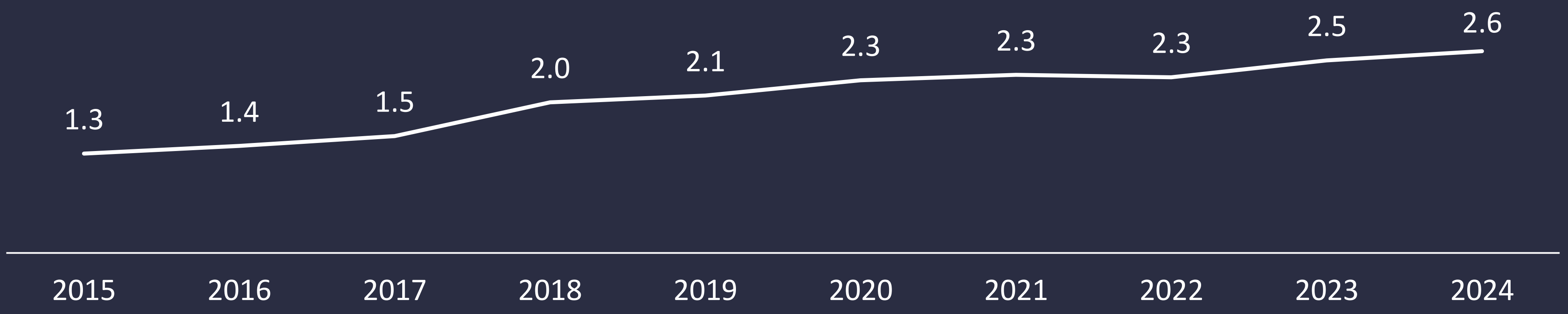
~150,000
Homes powered in the GCC every year (equivalent)

1.58 million MT
prevention of CO_2 emissions

=

~343,000
Cars removed from roads annually

Annual reduction in energy consumption (In Billions of kWh)



SUSTAINABILITY HIGHLIGHTS - VERIFIED CARBON STANDARD

During August 2024, Tabreed made a major advancement in its efforts to decarbonise the cooling sector, achieving the 'Verified Carbon Standard' at its SeaWorld Abu Dhabi plant, certifying carbon credits to offset emissions. This was a world-first for the district energy sector and provided further evidence of the company's environmental credentials.

About the Project

- Study carried out by independent agency, Verra, which sets the world's leading standards for sustainable development
- Year-long verification programme at the plant, which supplies sustainable cooling services that are vital to client's daily operations

What the Study Highlighted

- Evidence of significant environmental benefits through maximising energy efficiency
- Through these efficiencies, the 28,000 RT plant prevents approximately 19,320 tons of CO2 emissions annually

What it Means for Tabreed

- Tabreed is eligible to trade carbon credits (in the voluntary market) as an emissions preventer
- A major recognition, not only for the company but the entire district cooling industry

YEAR IN REVIEW

Q1 2024

- Tabreed's consumption volumes for Q1 2024 rose by 9% year-on-year, driven by new connections attributed to organic growth
- Tabreed concludes an extensive retrofit programme – increases energy efficiency with Variable Frequency Drives (VFDs), taking a major step towards decarbonizing operations
- Moody's and Fitch published reports assigning Tabreed ratings of Baa3 and BBB, respectively, thereby reaffirming its status as an 'Investment Grade' entity.

Q2 2024

- Tabreed's consumption volumes grew by 8% year-on-year in H1 2024, reflecting a strong demand for district cooling
- Tabreed paid 2023 dividends as approved during the Annual General Meeting held in March 2024, Tabreed's shareholders approved a record-high dividend payment of 15.5 fils per share, representing a 15% year-on-year increase
- Tabreed successfully concluded a tender offer for the repurchase of certain of its outstanding USD 500 million sukuk due in 2025.
- Tabreed published its fourth annual ESG Report, covering the year 2023 and indicating remarkable progress towards decarbonization of cooling

Q3 2024

- Demand for Tabreed's district cooling service remains robust as the company saw an increase in consumption volumes by 6% year-on-year in 9M 2024
- Tabreed sponsors the third Asia Urban Energy Assembly in Bangkok, Thailand, seeking expansion across Southeast Asia
- Tabreed achieves the 'Verified Carbon Standard' at one of its Abu Dhabi plants, proving its environmental credentials
- Tabreed completes sponsorship, exhibition, and participation at the third World Utilities Congress, held at the ADNEC

Q4 2024

- Tabreed witnesses robust demand for its district cooling services as evident in 5% rise in FY 2024 consumption volumes, driven by organic growth
- Tabreed was awarded the 'Geothermal Power Project of the Year—Gold' and 'District Cooling Initiative of the Year— UAE' at the 2024 Asian Power Awards in Singapore
- Tabreed was awarded Best CFO UAE, Best Finance Leader of the Year UAE, Best Use of Technology in Finance by International Business Magazine during awards ceremony held in Dubai and 2nd Most Improved IR Program in the GCC, Best ESG Report Mid Cap category during Annual MEIRA IR Awards held in Abu Dhabi

SHARE INFORMATION (DFM: TABREED)

Ownership Structure *(as of 31 December 2024)*

Strategic Shareholders own 81.9% of Tabreed while 18.1% is free float

Mubadala[1]
41.9%

Engie[2]
40.0%

Institutional Investors
12.0%

Retail Investors
6.1%

Investor Relations Contact

For queries related to share ownership, dividends or to know more about Tabreed's investment story
contact us at:

mailto:ir@tabreed.ae
+971 2 202 0400

Tabreed IR Website

[1] Owns shares through two different entities, of which General Investments FZE owns 38.21%; [2] Owns shares through entity GDF International

Shareholder and Investor Engagement

Tabreed proactively meets and handles queries from Shareholders, Investors and Analysts using various channels of communication such as conference calls, conferences, face to face and virtual meetings, press releases, emails, social media and Investor Relations section on its website.

2024 Financial Calendar

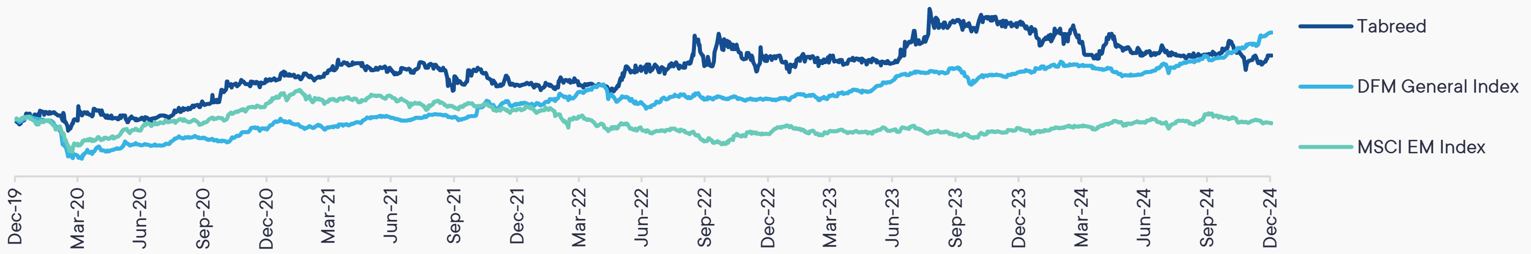
- **15 Feb.** FY 2023 Results Announced
- **19 Mar.** 2023 Annual General Assembly
- **17 Apr.** 2023 Dividend Payment
- **15 May** Q1 2024 Results Announced
- **8 Aug.** H1 2024 Results Announced
- **14 Nov.** 9M 2024 Results Announced

4 Earnings Conference Calls
4 Investor Roadshows/Fieldtrips
5 Broker Conferences
2 Capital Market Conferences

TABREED SHAREHOLDER RETURNS

Share Price Performance

Tabreed 5-year Total Shareholder Return*: 96%



* Total Shareholder Return includes return from reinvestment of cash dividends paid

Cash Dividend Per Share (AED)

2024 Dividend as recommended by the Board and is subject to shareholders' approval during Annual General Assembly to be held on 25 March 2025

8.5 AED billion
Market Capitalization

3.0 AED
Share Price

2.1 AED million
Average Daily Traded Value

Share Price Data as of 31 December 2024 and Trading Data for the year 2024

0.155 AED
Cash Dividend Per Share in 2024

+8.1%
CAGR in the last 5 years

77%
Payout Ratio in 2024

Dividend for the year 2024 to be paid in 2025 subject to shareholders' approval

WHY TO INVEST IN TABREED

- Resilient utility-like infrastructure model with robust tariff structure implemented across countries
- Long-term contracts with creditworthy customers underpin stability and high visibility of 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 achieve operational excellence
- 27 years of operational track record to provide safe, reliable and efficient cooling
- Sustainable district cooling services enabling significant energy savings and contributing to achieve Net Zero emissions targets

Strategic Review

CHAIRMAN'S MESSAGE

Dr. Bakheet Al Katheeri

Chairman, Tabreed

It was an honour to be appointed as Chairman of Tabreed in 2024 – it is an organisation infused with the energy, dedication and commitment of its people and is one of the UAE's many remarkable and inspirational success stories.

Since its beginnings back in 1998, Tabreed has steadily grown to become a trusted partner across the region and has stayed true to its roots while embracing change, innovation and cutting-edge technologies.

Over the next two years, the district cooling industry is expected to be worth almost $40 billion globally and Tabreed is right in the centre, a direct supporter of the UAE's 'Net Zero by 2050' initiative. Our district cooling operations save energy equivalent to powering 150,000 homes in the GCC annually, in turn preventing emissions equal to removing more than 340,000 cars from the roads.

As for economic positivity, Tabreed's workforce now includes more than 1,100 people from 40 different nationalities, each one a treasured member and contributor to this nation's financial strength, sustainability and success. The future trajectory looks bright as the need for cooling in the GCC is expected to almost triple before the end of this decade, which creates multiple opportunities for Tabreed to grow and increase its environmental credentials. We are prepared for this future, having exercised wisdom and prudence with our finances so that expansion can be rapid as and when the time and conditions are right.

I wish to express my sincere thanks to Tabreed's shareholders for their unwavering support, and to the people who make this company a national champion – its success is built on the dedication of every one of these inspirational people, whose dedication and resilience fuel our onward journey.

CEO'S MESSAGE

Khalid Abdulla Al Marzooqi

CEO, Tabreed

For the past four years it has been my inestimable privilege to serve as Tabreed's Chief Executive Officer and I continue to be inspired by the drive and determination of everyone in the group to be the very best there is. The result of this tireless dedication is that, with every passing year, the company goes from strength-to-strength and 2024 was no exception.

Headline numbers are immediately impressive. Revenue and EBITDA have both improved over 2023 and net profit of AED 570 million, which is an increase of AED 139 million over the preceding 12 months.

At the time of writing, our portfolio stands at 92 district cooling plants in six countries and throughout 2024 consumption volumes rose by 5%. Our total connected capacity reached 1.325 million Refrigeration Tons (RT), with 23,756 RT of new customer connections added during the year in the UAE, Oman, Saudi Arabia, Egypt and India. Tabreed is a company with more than its fair share of unsung heroes, many of whom have been working round-the-clock to prepare the foundations for further growth, both domestically and internationally.

While the year-end figures obviously demonstrate positive progress for the company and its investors and stakeholders, there's also a very real, tangible benefit to the environment that should never be underestimated. Because Tabreed's operations in 2024 reduced energy consumption to the tune of 2.64 billion kWh, in turn preventing the release of 1.58 million tons of CO_2. This is good news for everyone, everywhere.

These indisputable environmental benefits form the backbone of our communications and the messages we spread to the outside world. And 2024 once again saw us play a central role in what has quickly become an unmissable fixture on the annual Abu Dhabi events calendar: World Utilities Congress. Returning as 'Cooling Partner' we were able to extol the virtues of our industry to delegates from all over the world, through presentations, panel discussions and our stunning stand, which was a credit to this company and its people.

Further afield, we sponsored and participated in high level industry events in Egypt and Thailand and led the conversation on sustainable cooling at the RAK Energy Summit, during which we hosted our own high-level discussions with developers and government officials, promoting further uptake of our services in the Northern Emirates. We also sponsored the UNEP-led Cool Coalition's pavilion at COP29 in Baku, Azerbaijan, cementing Tabreed's reputation as a global leader in sustainability.

Increased uptake of district cooling is imperative in our drive towards net-zero – a utility that's essential for progress, for people, industries and communities alike. Tabreed has been the world's leader in this remarkable industry for nearly three decades and its future is assured, brighter than ever. This annual report is further evidence of Tabreed's stability and long-term sustainability, and I look forward to yet another successful year ahead.

COOLING OVERVIEW - THE FUTURE OF COOLING

"District Cooling (DC) offers a more sustainable and efficient alternative, being 40–50% more energy-efficient than traditional cooling systems and having a lower levelized cost of cooling"

- The demand for energy used in space cooling is growing at an unprecedented rate, outpacing all other end uses in buildings. Between 1990 and 2016, this demand more than tripled. Air conditioners and electric fans now account for about 20% of electricity consumption in buildings globally, equating to 10% of all global electricity use. In regions like the Middle East and parts of the United States, space cooling can contribute to over 70% of peak residential electricity demand during extreme heat waves. On average, space cooling represented approximately 14% of peak electricity demand worldwide in 2016.
- Air conditioner (AC) sales are rapidly increasing in emerging economies, driven by rising incomes, population growth, and higher temperatures. It is projected that nearly two-thirds of global households may own an air conditioner in the future, with China, India, and Indonesia collectively accounting for half of this growth.
- Without effective interventions, energy demand for cooling could triple by 2050, reaching 6,200 TWh. Nearly 70% of this increase will stem from the residential sector, concentrated in a few emerging economies. This surge in demand poses significant challenges to power grids and undermines efforts to reduce greenhouse gas emissions. Building, maintaining, and operating the electricity infrastructure to meet peak cooling demand is costly, as this capacity is utilized only during limited periods. Consequently, CO2 emissions from cooling have already tripled since 1990, reaching 1,130 million tonnes (Mt), alongside an increase in local air pollutants.
- District Cooling (DC) offers a more sustainable and efficient alternative, being 40–50% more energy-efficient than traditional cooling systems and having a lower levelized cost of cooling. DC systems also significantly reduce emissions by integrating various sustainable energy sources and utilizing thermal storage, which improves energy efficiency and alleviates peak power demand stress. This approach minimizes the need for additional power generation capacity, lowers both investment and operational costs and can potentially contribute to cutting space cooling emissions by up to 93%, achieving just 7% of baseline emissions.

REGIONAL MACROECONOMICS OUTLOOK

Our presence across the UAE, Bahrain, Oman, Saudi Arabia, Egypt and India is a testament to our strategic approach to growth and value creation as a district cooling leader. Our strategic approach accounts for favorable macroeconomic conditions, cultural and business proximities, and the vast opportunities these markets present. These nations are undergoing significant economic transformations, offering robust growth across sectors, expanding infrastructure, progressive reforms to attract investments, and the opportunities to advance efficient cooling solutions. The **UAE's** robust **non-oil economic growth** and **regional integration** efforts position it as a solid hub for expansion. **Oman** and **Bahrai**n are pursuing **diversification** and **fiscal reforms**, creating a stable foundation for infrastructure investments. **Saudi Arabia's Vision 2030** and **non-oil sector growth** present substantial potential for scaling operations. **Egypt's structural reforms** and **infrastructure modernization** align with our expertise in sustainable solutions, while **India's dynamic economy** and **urbanization** trends offer long-term growth opportunities. These markets enable us to remain at the **forefront** of **sustainable cooling technologies** while contributing to the economic and environmental advancement of the regions we serve.

REGIONAL MACROECONOMICS OUTLOOK

Country	Macroeconomic Highlights	GDP Growth[1] %	Population Growth[1] %	Urbanization Rate[1]	Value Added-Construction[1] (% of GDP)	Value Added-Real Estate[1] (% of GDP)
UAE	The UAE's non-oil economy is set to maintain solid growth into 2025, driven by strong demand in tourism, trade, and finance. Oil production is expected to increase in 2025 due to an adjustment in the country's OPEC quota, although lower oil prices could weaken export and government revenues. While the UAE continues to pursue regional economic integration, potential geopolitical risks pose challenges. Inflation remains subdued, with average rates expected below 2.0% in 2024 and 2025, despite robust demand. Monetary policy easing is projected to slow in 2025, following a recent 25-basis-point cut by the US Federal Reserve.	3.91%	3.62%	88.0%	4.6% (8.0%)	5.5% (4.8%)
Oman	Oman's real GDP is projected to grow by 1.8% in 2024 and 2.1% in 2025, driven primarily by the nonhydrocarbon sector as oil and gas output declines. Inflation is expected to remain low, averaging 0.6% in 2024 and 1.0% in 2025, supported by subsidized energy, high interest rates, and lower commodity prices. The Central Bank of Oman, aligning its policy interest rate with the US due to the rial's dollar peg, recently reduced the rate to 5.0% and is expected to lower it further to 4.5% by the end of 2025. While Oman's fiscal balance is forecasted to maintain a small surplus in 2024, it could shift to a deficit in 2025 amid a forecasted drop in oil prices. Government debt is expected to decline to 34% of GDP in 2024 before returning to 37% in 2025.	1.84%	4.60%	89.0%	2.8% (8.2%)	1.5% (1.9%)
Bahrain	Bahrain's real economy is expected to achieve modest growth in 2024–25, driven by the continued expansion of the non-oil sector and a more supportive monetary policy environment. Real GDP is projected to grow by 2.7% in 2024 and 2.9% in 2025, with a slight recovery in the oil economy complementing non-oil sector gains. Inflation, which eased to 0.1% in 2023 due to moderating commodity prices and the dissipation of a VAT rate hike effect, is anticipated to average 1.3% over the forecast period. Satisfactory petrodollar inflows are bolstering external accounts and temporarily easing fiscal pressures. Authorities are encouraged to leverage this energy-derived liquidity to implement structural fiscal reforms, reducing reliance on oil revenues and ensuring sustainable public debt management.	2.75%	2.38%	89.6%	3.2% (8.4%)	4.6% (1.6%)

Source: S&P ; [1] 2024 Forecasted Value

REGIONAL MACROECONOMICS OUTLOOK

Country	Macroeconomic Highlights	GDP Growth[1] %	Population Growth[1] %	Urbanization Rate[1]	Value Added-Construction[1] (% of GDP)	Value Added-Real Estate[1] (% of GDP)
Saudi Arabia	Saudi Arabia's real GDP growth is projected to accelerate in 2025 as the impact of oil supply cuts diminishes, with robust non-oil sector performance supporting this growth. Consumer spending is expected to remain a key driver, while private fixed investment may see modest gains from monetary easing. However, public-sector investment could weaken due to government efforts to consolidate the budget amidst weaker oil revenues and a projected budget deficit for 2025 and 2026 following revised, lower medium-term oil price assumptions. Inflation is anticipated to remain stable at around 2.0%, with housing costs being the primary source of upward price pressure.	1.30%	2.10%	85.2%	4.7% (5.6%)	3.6% (6.3%)
Egypt	Real GDP growth in Egypt is expected to rebound to 4.0% in fiscal year 2024–25, following a slowdown to 2.4% in 2023–24 due to challenges such as the Israel-Hamas conflict, disruptions in Red Sea shipping, and foreign exchange shortages. This recovery projection considers gradual structural reforms under the IMF program, increased foreign investments, and favorable base effects. The central bank's policy rate, raised by 1,900 basis points since March 2022 to 27.25%, is anticipated to remain tight until early 2025 to manage inflation. Additionally, the IMF's expanded US$8 billion support package, coupled with Egypt's commitment to reforms, is expected to gradually address external and fiscal imbalances.	2.36%	1.75%	43.3%	6.2% (8.5%)	2.4% (3.3%)
India	India's economic growth is expected to moderate from 8.2% in FY 2023–24 to 6.5% in FY 2024–25, influenced by the Reserve Bank of India's (RBI) earlier policy rate hikes and reduced government investments. Growth is forecasted to slow further to 6.4% in FY 2025–26 due to global trade and financial uncertainties, compounding domestic challenges. Consumer price inflation, which returned to moderation in November, is anticipated to ease from 5.0% in 2024 to 4.7% in 2025, supported by ample food supply and stable global commodity prices. However, pressures on the Indian rupee and efforts to achieve a sustainable 4% inflation target will restrict monetary policy easing, with the RBI likely to lower its repo rate only once in 2025.	6.52%	0.89%	36.9%	10.2% (8.9%)	8.7% (9.6%)

Source: S&P ; [1] 2024 Forecasted Value

DISTRICT COOLING INDUSTRY OUTLOOK

Tabreed currently operates in six countries, each with unique district cooling dynamics and trends. These countries are expected to add 11-13 million RT of district cooling capacity by 2030, with India, Egypt, and the UAE leading the growth. This represents significant market opportunities for Tabreed and expand its business operations.

GCC:

- **Urbanization and Mega Projects:** Increasing demand driven by large-scale urban developments (e.g., smart cities, mega-events like Expo).
- **Government Regulations:** Well-developed in the UAE, with ongoing formulation in other GCC countries, which may push for broader adoption.
- **Sustainability Goals:** Focus on reducing carbon emissions in line with national visions (e.g., UAE's Net Zero by 2050).
- **Public-Private Partnerships (PPPs):** Growing trend of governments partnering with private operators to expand infrastructure.

India:

- Rising Demand for Cooling: Rapid urbanization and increasing temperatures drive demand for efficient cooling systems in commercial and residential sectors.
- Market Creation: District cooling is still emerging, with significant efforts required to establish the market.
- CAAS Model Push: Push towards Cooling-as-a-Service (CAAS) as an emerging model to enhance affordability and drive adoption in India, given the fragmented market structure.
- Energy Efficiency Focus: Initiatives like the National Cooling Action Plan (NCAP) support district cooling as a sustainable alternative.

Egypt:

- Infrastructure Expansion: Strong focus on new cities (e.g., Ras el-Hekma, New Administrative Capital, or New Mansoura) and large-scale developments requiring centralized cooling.
- Sustainability Drive: Emphasis on reducing energy consumption in line with national energy efficiency targets.
- Increasing Foreign Investment: Growing interest from international investors in infrastructure, boosting district cooling adoption.

OUR STRATEGY

Tabreed's Corporate Strategy comprises 5 building blocks

Local and International Growth

Conducting capacity-building and development to improve Tabreed's organization, activities at the local and international level.

Governance and Control

Adhering to local & international laws and regulations to strengthen Tabreed's position in the Global market

Business Excellence

Carrying continuous improvement to Tabreed's approach and practices in achieving strategic goals and objectives

People

Managing human resources and employee engagement efforts strategically to ensure good working conditions and retention.

Research, Development & Innovation

Creating unique value through innovative approaches to gain a competitive advantage

Creating unique value through innovative approaches to gain a competitive advantage

OUR STRATEGIC OBJECTIVES

Local and International Growth

Achieve sustainable growth by expanding our footprint in existing markets and establishing presence in new markets — 1

Business Excellence

Integrate top-tier HSE standards into our corporate DNA and promote a culture of HSE excellence across our operations to set a benchmark for the industry — 2

Maximize value creation by achieving efficient & reliable operations, streamlining internal processes, and leveraging digital transformation — 3

Build and maintain a positive brand reputation by delivering exceptional customer care and relationship management while strengthening stakeholder relationships and capabilities in key target markets — 4

Governance and Control

Achieve a top ESG rating in the region by implementing best practices in environmental sustainability, social responsibility, and ethical governance, while complying with regulators and governmental bodies — 5

People

Attract, develop, and retain top talent across all countries of our presence and become an employer of choice by fostering engagement and corporate culture, and delivering a superior employee experience — 6

Research, Development and Innovation

Foster a culture of innovation and continuous improvement to drive R&D and advance innovation in the district cooling industry — 7

STRATEGIC PROGRESS MEASUREMENT AND ACHIEVEMENTS

Strategic Pillar	Objectives	How progress is measured (KPIs)	Achievements
Local and International growth	1	• Capacity Addition in existing and new markets (k RT) • Market Share in key markets (%) • EBITDA and Net Profit (AED)	• 7% Capacity CAGR and ~ 77k RT added per year in the last 5 years • International expansion beyond GCC with 4k RT in India and 4.5k RT in Egypt over 2023-24 • 10% EBITDA CAGR in the last 5 years
Business Excellence	2 3 4	• Lost Time Injury Frequency Rate (LTIFR) • System Availability (%) • Efficiency & Margins • Customer Satisfaction Rate	• 0.29 LTIFR • Average EBITDA Margin of 53% in the last 5 years • Overall Customer Satisfaction – Satisfactory in 2024 • 100% Customer Complaints Resolution Rate in 2024
Governance and Control	5	• Regulatory Compliance (%) • Ethics Incidents Resolution (%) • ESG Rating	• Best ESG Report by MEIRA IR Awards 2024 • Verified Carbon Standard Certification for 1 plant by Verra, recognizing efficient cooling produced by Tabreed
People	6	• Emiratization (%) • Employee Engagement Score • Employee Satisfaction Rate	• 42% Emiratization Rate in 2024 • 4.3/5.0 Employee Satisfaction Score in 2024 • 4.2/5.0 Employee Engagement Score in 2024
Research, Development and Innovation	7	• Number of Innovative Programs Implemented • Investment in R&D Projects	• $ 4.6m Investment in Sustainable Technology • Region's 1st Geothermal Energy DC plant opened • Use of nanoparticle fluid technology to enhance plant efficiency by up to 12%

OUR REVENUE MODEL

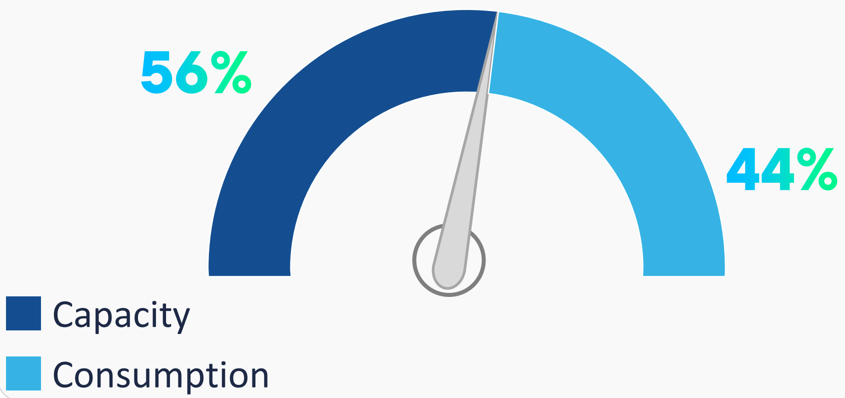
25-years cooling contract

- Contracted Cooling Load (RT) FIXED → Capacity Charges
- Cooling Consumed (RTh) VARIABLE → Consumption Charges

65% of our chilled water revenue comes from fully or majority owned public sectors entities and top four customers represents **53%** of our chilled water revenue, highlighting highly credit worthy profile of our customer base, which is mostly B2B in nature

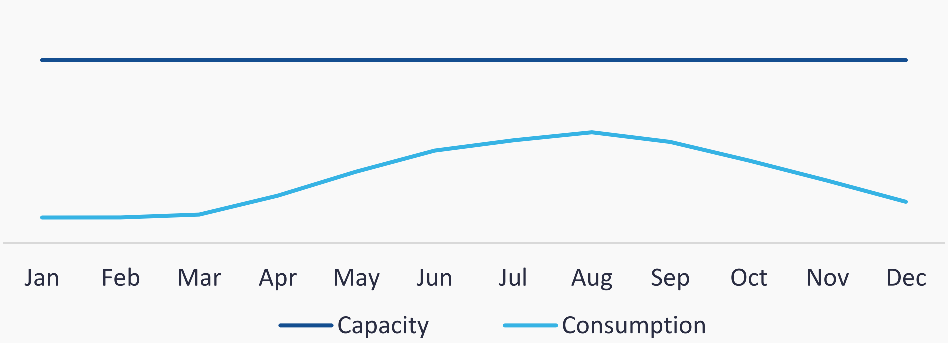
Billing breakdown in a typical year

Capacity charge forms majority of annual billing



Billing breakdown over the months

Capacity charge is fixed for the year while consumption charge varies with usage



Capacity charge recovers capital investment, covers fixed operating and financing costs and provides investor returns while the consumption charge covers variable utility costs

OUR VALUE CREATION MODEL

Inputs

Financial Capital
Equity: AED 7.0 bn
Debt: AED 5.6 bn
Total Assets: AED 14.1 bn

Manufactured Capital
# of Plants: 92
Capacity: 1.325 m RT
Countries of Presence: 6

Intellectual Capital
Investment in Tech.: AED 16.9 m
O&M Expertise: 27 years

Human Capital
Total Employees: 1,114
Emiratization: 42%

Social & Relationship Capital
~95% of revenue: B2B customers
Top 4 Customers: 53% of Revenue

Natural Capital
Electricity Consumed: 2,151 GWh
Water Consumed: 18,849,447 m^3

Business Activities

Design & Build
Construct district cooling plants and distribution network with highest quality, safety and reliability standards

Operate & Maintain
Efficiently operate and maintain plants & network and embed HSE excellence

Customer Management
Deliver exceptional customer care and support to unlock incremental business potential

Optimise & Innovate
Maximise value by enhancing plant efficiency, reducing resources consumption through new technologies, AI, digital tools and optimized maintenance/procurement strategy

Outputs

Financial
Revenue: AED 2,434 m
Net Profit: AED 570 m
Free Cash Flows: AED 971 m

Manufactured
Cooling Produced: 2.66 bn RTH

Human
Employee Engagement Survey: 4.2 / 5.0
Total Employee Compensation: AED 296 m

Natural
2.64 bn kWh saving in energy consumption
1.58 m tons prevention of CO2 emissions

Intellectual
Region's first Geothermal sourced District Cooling Plant
Use of VFDs and Nano-fluids to enhance electrical efficiency
Use of Sea-water and TSE to conserve freshwater

Social & Relationship
Daily meals to 100 individuals for 30 days during Ramadan
School supplies to 260 students
Sustainable Farm project for People of Determination
Installed solar panels for cooling and lighting at four mosques in India
Customer Complaints Resolution: 100%

Impact created

Employees
We create a positive work culture and conducive working conditions. We support the physical, emotional, and professional well-being of employees.

Business Partners
We work with clients and suppliers and foster strong relationships to deliver business value with integrity and transparency.

Shareholders
We continue to deliver stable and healthy returns to our shareholders through sustainable growth, consistent financial performance, and responsible business practices.

Customers
We tailor to the need of our customers and provide quality cooling services. We continue to innovate our operations to supply cooling sustainably and reliably.

Society
We take actions that minimize negative impacts on the environment and contribute to the social well-being of our society.

Value Creation Over Time

Short term: Immediate financial returns, operational improvements, and customer satisfaction **Medium term:** Enhanced technological capabilities, stronger customer relationships, and improved environmental performance **Long term:** Sustainable growth, industry leadership, and significant positive impact on society and the environment

CFO'S REVIEW

Adel Salem Al Wahedi

CFO, Tabreed

I am happy to share that our company has continued to grow and strengthen financially in 2024, maintaining our strong historical track record.

Our total revenue was AED 2,434 million in 2024. This was mainly driven by the growth in consumption volumes, which increased by 5% to 2.66 billion refrigeration ton hours (RTH). We also expanded our connected capacity by 23,756 refrigeration tons (RT), bringing our total connected capacity to 1.325 million RT. Growth in connected capacity was largely on account of growth in existing concessions. We commissioned a new greenfield plant in the UAE and expanded capacity in another plant to meet growing demand from our customers.

We kept a tight control on operational expenses, driving improvement in EBITDA margin to 51% and growth in EBITDA by 5% to AED 1,252 million. Our normalized net profit before tax was AED 624 million, up 4% from last year. The reported net profit was AED 570 million compared to AED 431 million last year. This increase was mainly due to the impacts of one-time non-recurring items on 2023 net profit. Normalized net profit after tax was slightly lower compared to year ago period due to the new corporate tax in the UAE, which was effective from the beginning of 2024.

We generated strong cash flows, with AED 1,189 million from operations and AED 971 million in free cash flows. We used our surplus cash to optimize balance sheet and reduce debt, saving 15% in net financial costs. Our balance sheet is stronger, with an improved net debt to EBITDA ratio of 3.7x compared to 4.1x at the end of 2023.

Thanks to strong overall performance, the Company's board recommended a cash dividend of 15.5 fils (AED) per share for 2024. In the last 5 years, cash dividend per share paid by Tabreed has increased at a compounded annual growth rate of 8%. This shows the Board's commitment to consistently grow and deliver attractive returns for our shareholders.

Looking ahead, we aim to grow our connected capacity by 3% to 5% annually over 2025 to 2027. This growth will come from ongoing projects and new ones expected in the next two years. We are exploring more opportunities, both organically and through acquisitions, to accelerate growth in our core market of UAE and internationally.

Our strategic plans position us well to meet the increasing demand for sustainable district cooling solutions. District cooling will be key to achieving Net Zero emissions targets in the region. New technologies like thermal energy storage and renewable energy will further make district cooling a smart and sustainable choice.

The future looks bright with many new prospects in the pipeline. Our expertise and strong track record will help us capitalize on these opportunities, ensuring value accretion for our shareholders and contributing to a sustainable future.

Thank you for your continued support and trust in our company.

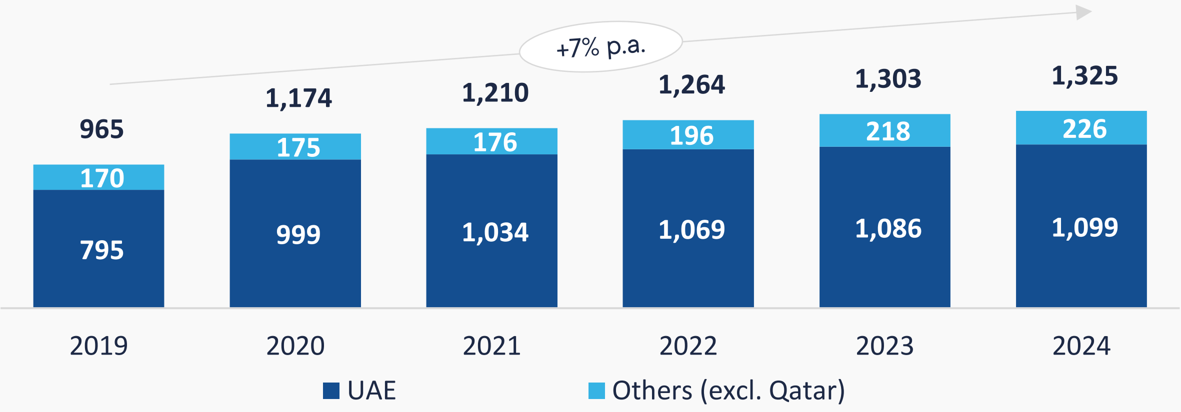
CONNECTED CAPACITY AND VOLUMES

Consolidated	2019	2020	2021	2022	2023	2024
UAE	724	928	1,025	1,060	1,053	1,066
Bahrain	28	32	33	34	37	37
Oman	32	32	33	52	53	55
India	-	-	-	-	1	4
Egypt	-	-	-	-	3	4.5
Total Consolidated	**1,123**	**992**	**1,091**	**1,146**	**1,146**	**1,166**
Equity Accounted						
UAE	71	71	9	9	33	33
KSA	110	110	110	110	124	126
Total Equity Accounted[1]	181	181	119	119	157	159
Total Capacity (k RT)	965	1,174	1,210	1,264	1,303	1,325
Consolidated Consumption Volumes (billion RTh)	1.53	1.72	2.12	2.35	2.52	2.66

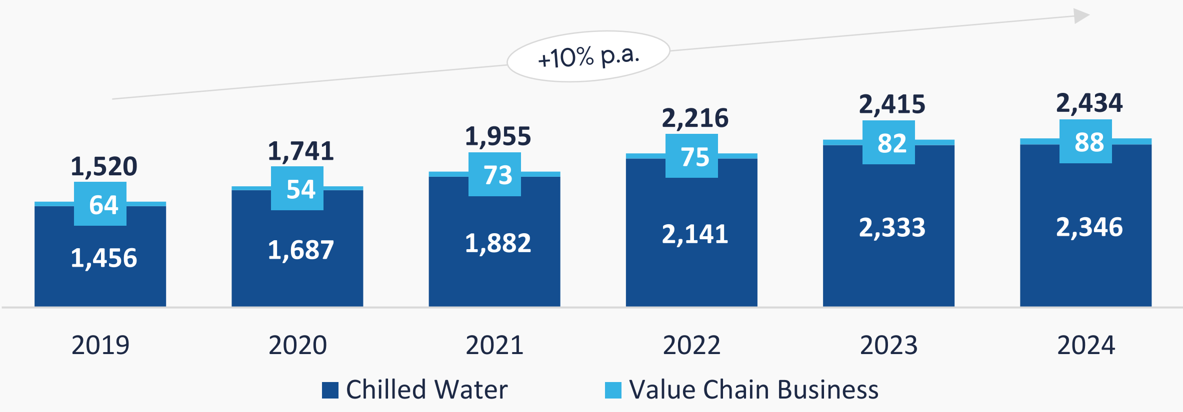
[1] *Represents 100% share of equity accounted capacity, where Tabreed's share is 50% in UAE and 21.8% in KSA*

GROUP PERFORMANCE HIGHLIGHTS

Group Connected Capacity (k RT)



Group Revenue (AEDm)

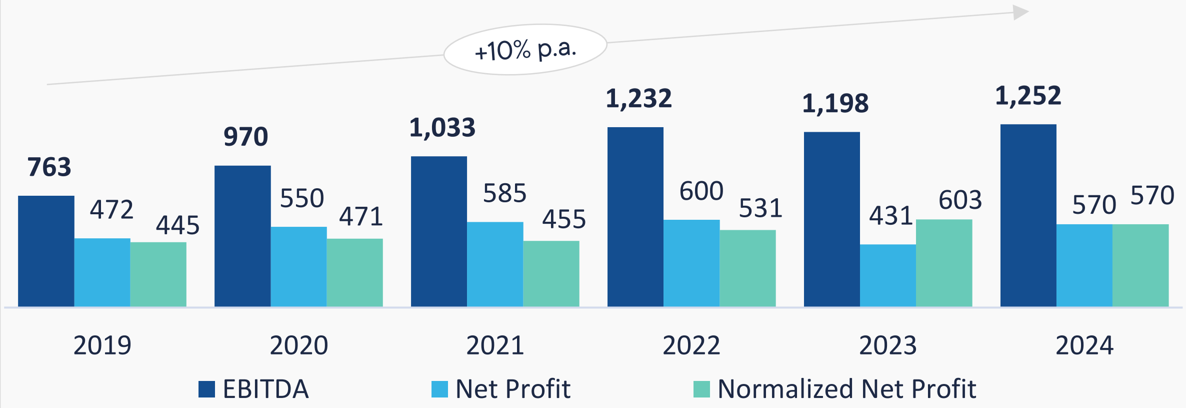


- The Group's connected capacity increased at an average growth rate of 7% p.a. over the past five years, strengthening the Company's local, regional and international presence.
- In the last five years, Tabreed has added around 380k RTs (including acquisitions) or addition of ~77k RT per year.
- During 2024, Tabreed continued to add capacity, delivering 23.8 k RTs of additional capacity (before disposals and load adjustments), mainly driven by organic growth in the UAE.
- GCC & other countries in international markets have also contributed to the growth in connected capacity with addition of new projects in India, Oman, Saudi Arabia and India.

- Group Revenue increased at a robust CAGR of 10% over 2019-24, driven by organic growth as well as large acquisitions in 2020 and 2021.
- 2024 Revenue increased by 1% compared to 2023, driven by new connections, increased consumption volumes and CPI increase. However, the growth was partly offset by deconsolidation of Tabreed Parks Investments and one-off CPI gains recorded in 2023.
- Tabreed's utility-like business model with long-term contracts and credit worthy customers allows highly stable and predictable returns and resilient profitability margins.

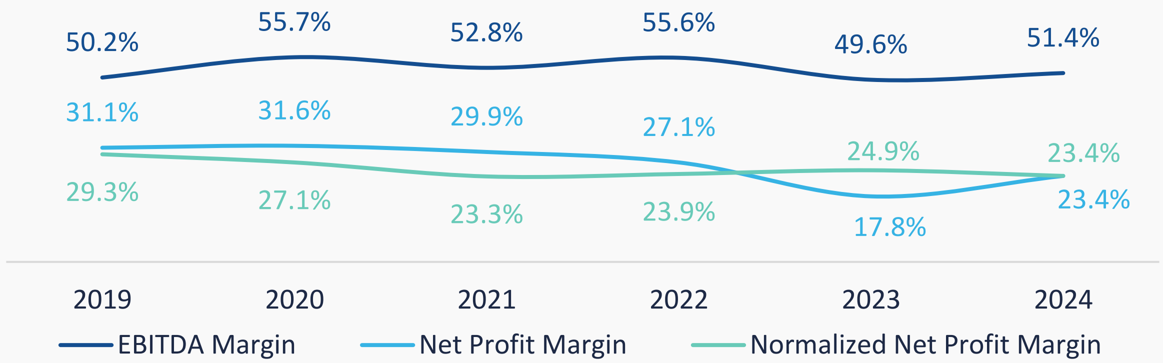
GROUP PERFORMANCE HIGHLIGHTS

Group Profits (AED m)



- EBITDA has grown 10% annually since 2019. This is driven by a combination of growth through acquisitions, the addition of new customer connections to the portfolio and continued focus on operating efficiency and profitability.
- EBITDA and Normalized Net Profit Before Tax (adjusted for one-offs) reported 5% and 4% y-o-y growth respectively in 2024 following resilient profit from operations and reduction in net finance cost due to proactive liability management
- Normalized Net Profit After Tax (adjusted for one-offs) has grown 5% annually since 2019, with growth in 2024 impacted by the introduction of corporate tax in the UAE for the first time.

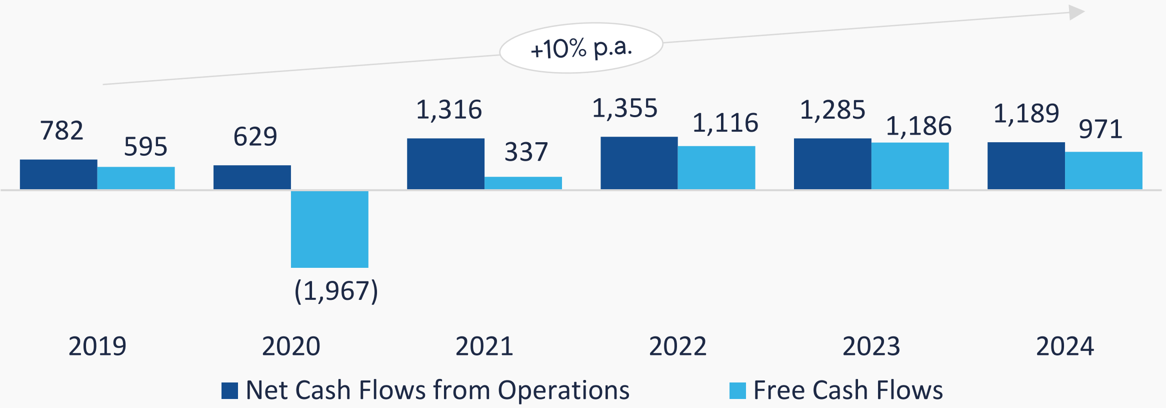
Group Profit Margins



- Tabreed has delivered stable operating profit margins, demonstrating resilient business model that is protected against inflationary risks.
- Ability to effectively generate sustainable profits is evident in yearly average EBITDA margin of 53% and Profit Before Tax margin of 30% over 2020-24.
- EBITDA margin remained robust at 51% in FY 2024, while Profit Before Tax margin was 27%, broadly coming in line with the historical trends.

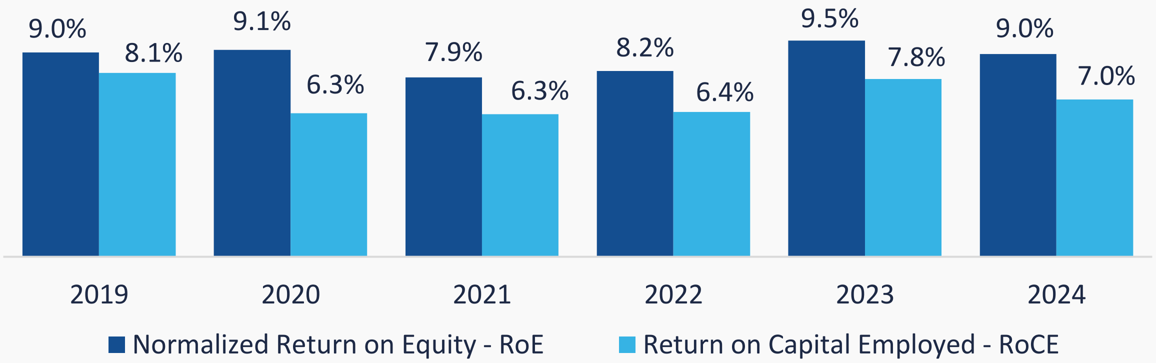
GROUP PERFORMANCE HIGHLIGHTS

Cashflows (AED m)



- Net Operating Cash Flows recorded annual growth of 9% while Free Cash Flows grew at annual growth of 10% over 2019-24.
- Capital expenditure of AED 257 million was incurred in 2024 to fuel expansion as we completed one new plant in Saadiyat and continued to spend on construction of another plant that will be completed next year.
- Tabreed generated robust free cash flows of AED 971 million in 2024. Consistently growing cash flows and sufficient balance sheet capacity provide a strong foundation to deliver attractive long-term returns for shareholders through combination of growth and sustainable dividend policy.

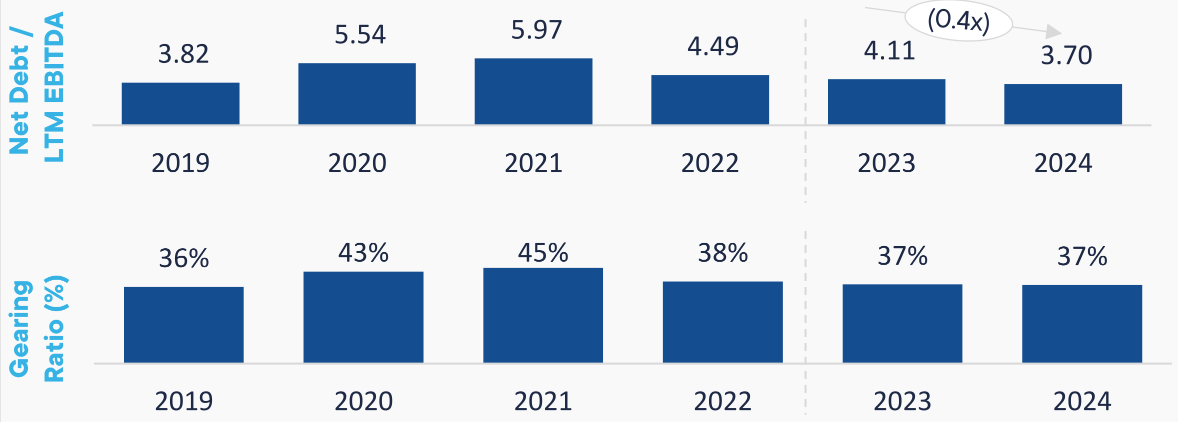
Return Ratios



- Return on Equity (RoE) improved to 9.0% in 2024, showing an improvement following a period of strong acquisition activity over 2020/2021 as incremental profits have been generated with minimal capital expenditure in acquired concession areas.
- Return on Capital Employed also shows an improved trends reflecting ability to grow business, extract higher efficiency from its assets and optimize capital structure.
- Tabreed has also prudently managed its capital allocation to reduce its debt while increasing cash returns to shareholders.

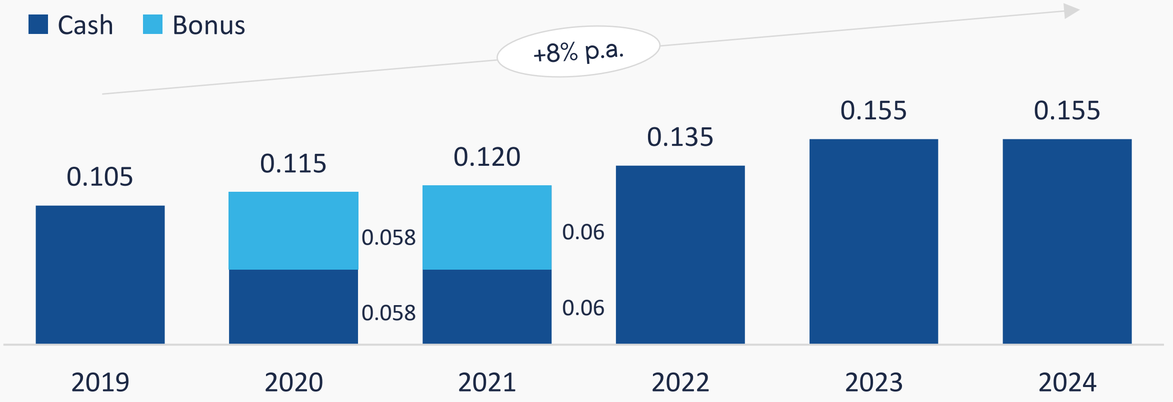
GROUP PERFORMANCE HIGHLIGHTS

Capital Structure



- 2024 continued to witness improvement in net debt to LTM EBITDA while maintaining robust financial strength, indicating growing earnings and strong cash generation.
- Gearing ratio (Net Debt to Capital) remains at optimal level, reflecting a well-balanced capital structure.
- Fixed assets dominate the balance sheet, highlighting Tabreed's capital-intensive business to support infrastructure development.
- Long-term contracts, healthy margins and cash flows visibility underpin ability to deleverage, capitalize on growth opportunities and improve shareholders' returns.

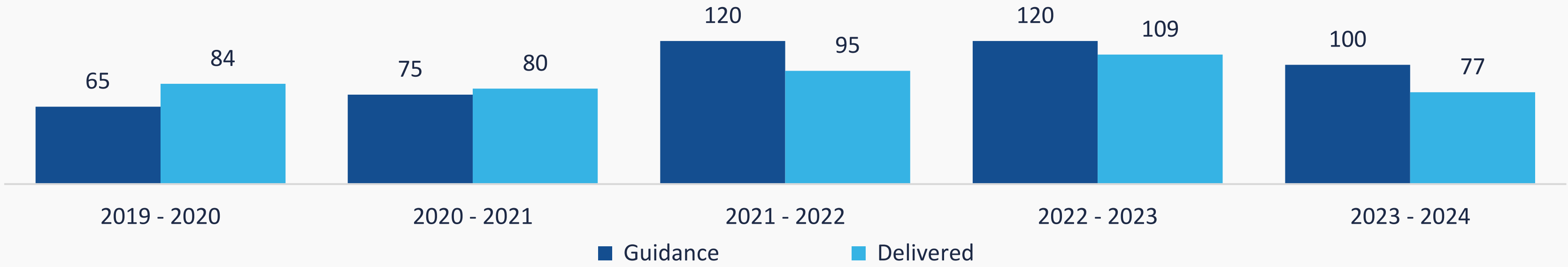
Dividends (AED)



- Dividend has grown at annual rate of 8% over last five years, highlighting focus on delivering attractive returns to shareholders.
- For 2024, the Board has recommended a dividend of 15.5 fils per share, implying a dividend payout ratio of 77% (versus average of 68% over 2019-2023).
- The Board and Management are committed to adopt progressive dividend policy to align shareholder returns with the growth in earnings while retaining adequate cash to reinvest in expansion of the business and prudently maintain investment grade credit rating.

GROUP PERFORMANCE HIGHLIGHTS

Historical Capacity Guidance vs. Delivery (k RT)



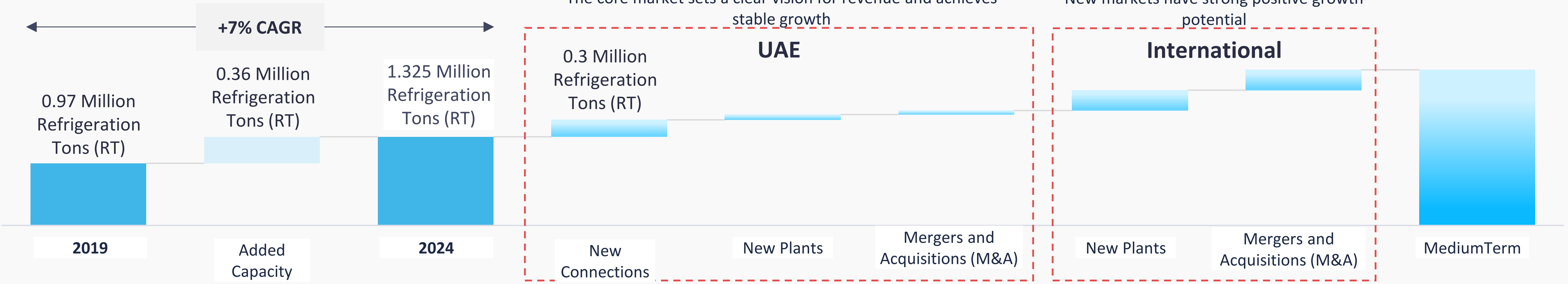
Medium-term Guidance[1]

3-5% p.a.

2025 - 2027

The core market sets a clear vision for revenue and achieves stable growth

New markets have strong positive growth potential



Largely driven by the expansion of existing concessions plus new customer acquisitions, new plants, and M&A

New customers and acquisitions in untapped markets such as KSA, India, and the MENA/Asia region

1) Based on visibility of projects already secured or in advanced stage of discussion with the customers, materialization of additional pipeline offers upside risk

SEGMENTAL RESULTS

Chilled Water Business

In terms of chilled water capacity, UAE remains the largest and core market for Tabreed, accounting for 83% of connected capacity. Tabreed also has presence in Saudi Arabia, Oman, Bahrain, India, and Egypt, which together account for remaining 17% of the connected capacity.

Chilled water business accounts for 96% of the Group's total revenue. Chilled water revenues consist of fixed capacity charges and variable consumption charges. Chilled water revenue reached AED 2,346 million, driven by growth in both fixed and consumption charges.

Consumption volumes increased to 2.66 billion RTH, rising by 5% year-over-year. This growth is driven by both higher connected capacity and rising demand for cooling.

Chilled Water Revenue Breakdown

AED million	2024	2023	YoY %
Revenue	**2,434**	**2,415**	***1%***
Chilled Water	2,346	2,333	*1%*
Value Chain Business[1]	88	82	*6%*
Gross Profit	**1,081**	**1,082**	***0%***
Chilled Water	1.035	1,046	*-1%*
Value Chain Business[1]	46	36	*30%*
EBITDA	**1,252**	**1,198**	***5%***
Chilled Water	1,207	1,159	*4%*
Value Chain Business[1]	45	39	*16%*
Operating Profit	**793**	**806**	***-2%***
Chilled Water	755	773	*-2%*
Value Chain Business[1]	38	33	*18%*

Fixed capacity charges contributed 55% of revenue during 2024 and grew by 2% based on additions to connected capacity over last 12 months and CPI indexation.

Variable consumption charges, which made up the remaining 45% of the chilled water revenue, recorded an increase of 5% over previous year.

[1] *1ntercompany eliminations mostly relate to Value Chain Business and thus combined with results of Value Chain Business segment for analysis purpose*

SEGMENTAL RESULTS

Growth in fixed capacity charges and consumption charges was partially offset by increase in finance lease amortization and deconsolidation of one our assets in Q3 2023 following 50% stake sale, leading to lower reported growth in chilled water revenue.

Chilled water EBITDA increased by 4% compared to the last year. Driven by higher revenue and tight control on costs. Chilled water operating profit declined marginally due to impact of one-off CPI gain in the previous year.

Value Chain Business

Value chain business supports core Chilled Water business by providing manufactured products (pre-insulated pipes) and services (water treatment, customer billing, energy efficiency consultancy for customers).

Value chain revenue reached AED 88 million, reporting growth of 6% versus last year.

This was driven by increase in revenue from Tabreed Energy Services and metering, billing and payment collection services undertaken through our subsidiary Tasleem.

EBITDA and operating profit of value chain business also showed strong growth to reflect higher revenue and proportionately less increase in operating costs.

[1] 1ntercompany eliminations mostly relate to Value Chain Business and thus combined with results of Value Chain Business segment for analysis purpose

Sustainability Review

SUSTAINABILITY FRAMEWORK

Tabreed reaffirms its commitment to sustainability and climate action by embedding Environmental, Social, and Governance (ESG) principles into its operations and long-term strategy. Moving forward, Tabreed continues to build on its successes, driving deeper integration of ESG frameworks into its operations while pursuing innovative initiatives that address climate challenges and foster a low-carbon future. Tabreed's ESG initiatives remain aligned with the UAE's Net Zero by 2050 strategy and international sustainability standards.

Tabreed's ESG framework is built on three core pillars

1. Environmental Stewardship

- Continuously reducing greenhouse gas (GHG) emissions and energy consumption through energy efficiency measures, technological advancements, innovation, and strategic partnerships.
- Expanding the use of Treated Sewage Effluent (TSE) in cooling operations to conserve freshwater resources.
- Integration and scaling of renewable energy solutions such as geothermal cooling and solar technologies.

2. Social Responsibility

- Strengthening employee engagement, building on the current high engagement score, through targeted initiatives.
- Strengthening Corporate Social Responsibility programs to address local community needs while fostering climate resilience and sustainable development.

3. Governance Excellence

- Maintaining accountability and transparency by adhering to global ESG reporting standards, including the Global Reporting Initiative (GRI).
- Leveraging green financing tools, such as the Tabreed's Green Financing Framework to fund future low-carbon infrastructure.
- Strengthening oversight mechanisms to ensure alignment with ESG goals and ongoing progress monitoring.

MATERIALITY DRIVEN FOCUS AREAS

Materiality Matrix

Tabreed's materiality assessment continues to prioritize the following key areas:

- **Health, Safety and Well-being:** Fostering a culture of safety and implementing rigorous health and safety standards.
- **Water Management:** Scaling TSE usage and exploring advanced water recycling technologies to reduce reliance on freshwater resources.
- **Energy Efficiency & Optimisation:** Expanding the deployment of low-carbon and innovative cooling technologies to reduce emissions and enhance operational efficiency.
- **Climate Change Mitigation:** Enhancing infrastructure resilience to mitigate the impacts of climate change, ensuring operational continuity during extreme weather events.
- **Employee Engagement & Development:** Strengthening workforce training, inclusion initiatives, and employee satisfaction programs to maintain high engagement levels.

These priorities guide Tabreed's evolving ESG strategy, ensuring relevance and alignment with stakeholder expectations and regulatory requirements.

A new materiality assessment is scheduled to commence, and the focus areas will be realigned based on the results to address the evolving interests, expectations, and perspectives of our stakeholders.

Material Topics	
01	Health, Safety & Well-being
02	Employee Rights
03	Water Management
04	Energy Efficiency & Optimisation
05	Business Ethics & Corporate Governance
06	Climate Change Mitigation
07	Employee Engagement & Development
08	Customer Relations & Engagement
09	Information Disclosure
10	Innovation & Strategic Partnerships*
11	Waste Management
12	Diversity, Equity & Inclusion
13	Renewable Energy Integration*
14	Supply Chain Management & Decarbonisation*
15	Community Engagement & Development

Environment | People | Community | Business/Governance

PROGRESS ON SUSTAINABILITY JOURNEY

Environmental Achievements

- Achieved 2.64 billion kWh in energy savings, equivalent to powering over 150,000 homes annually, with plans to scale these savings further.
- Avoided 1.58 million tons of CO_2 emissions, comparable to removing 343,000 cars from the roads, through district cooling.
- Secured Verified Carbon Standard (VCS) certification for one cooling plant, enabling the generation of carbon credits (currently underway), with additional certifications targeted for new district cooling plants.

Social Impact

- Fostered employee engagement through sustainability initiatives such as Mangrove Planting & Kayaking and Beach Clean-up, contributing to marine conservation and climate change mitigation efforts.
- Created meaningful social impact through targeted initiatives that foster community well-being, empower individuals, and drive sustainable development. These include hosting a Ramadan Iftar Tent, providing meals to 100 individuals daily for 30 days, and installing solar panels for cooling and lighting at four mosques in India, promoting renewable energy. The company supports education through its Back-to-School program, offering school supplies to 260 students, and fosters inclusion with its Sustainable Farm project for people of determination.

Governance Milestones

- The AED 600 million Green Revolving Credit Facility is set to support substantial future investments in renewable energy projects and infrastructure enhancements
- Improved ESG data transparency by aligning with Global Reporting Initiative (GRI) standards and other internationally recognized frameworks, with additional reporting enhancements underway
- Actively participated in COP29 Azerbaijan discussions, emphasizing the critical role of district cooling as a long-term sustainable solution to climate change and highlighting Tabreed’s leadership in promoting innovative, low-carbon technologies on the global stage.

NET ZERO COMMITMENT AND DECARBONIZATION PRINCIPLES

These principles guide Tabreed's ongoing journey toward decarbonization, ensuring sustained progress in reducing its carbon footprint and driving low-carbon solutions

Tabreed reaffirms its unwavering commitment to achieving Net Zero by 2050, leveraging the decarbonization initiatives launched in 2023. As a proud signatory of the Non-State Actor Supporters of the Global Cooling Pledge under the United Nations Environment Programme (UNEP), Tabreed actively contributes to global climate action.

In 2024, the company remained focused on advancing its six core decarbonization principles to drive meaningful progress toward its sustainability goals:

- 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 VCS certifications to include new district cooling plants, enabling participation in carbon markets.

ACCOLADES

In 2024, Tabreed was recognized for its unwavering commitment to sustainability and operational excellence with several prestigious accolades:

- **Geothermal Power Project of the Year – Gold, Asian Power Awards Singapore**
- **District Cooling Initiative of the Year – UAE, Asian Power Awards Singapore**
- **People-Focused CEO of the Year, HRM Summit 2024**
- **Best ESG & Sustainability Report in the Middle East – Mid-cap, MEIRA**
- **Silver: Best Employee Wellbeing, GSA**
- **Bronze: Excellence in Talent Acquisition and Retention, SHRM**

Looking Ahead

Building on the successes of prior years, Tabreed will continue to lead in sustainable district cooling by scaling renewable energy projects, enhancing operational resilience against climate risks, and integrating ESG principles into every facet of its operations. The company remains steadfast in its commitment to driving innovation, reducing environmental impact, and creating long-term value for stakeholders

SUSTAINABILITY PERFORMANCE

This section entails Tabreed's ESG performance in 2024, covering operations in UAE. The information is in compliance with DFM's updated ESG Reporting Guide, a set of 25 metrics and 89 indicators. Tabreed will publish its full Sustainability Report 2024 in accordance with the GRI Standards and in alignment with UN Sustainable Development Goals (SDGs) and GHG Protocol in Q2 of 2025.

Environmental Metrics	Indicators	Sub-Indicators	Unit	Tabreed 2024 Data	Corresponding GRI Standards	SDGs
E1. GHG Emissions	E1.1) Total amount in CO_2 equivalents, for Scope 1	GHG Emissions Scope 1	tCO2e	45,194	GRI 305: Emissions 2016	13 CLIMATE ACTION
	E1.2) Total amount in CO_2 equivalents, for Scope 2	GHG Emissions Scope 2 (via National Utility)	tCO2e	588,120* *Calculated based on emission factors as per UAE's energy mix		
	E1.3) Total amount of Scope 3 emissions	GHG Emissions Scope 3	tCO2e	Tabreed is in the process of identifying relevant Scope 3 categories. The identified scope 3 categories will be detailed in our 2024 ESG Report.		
	E1.4) Please describe investments, initiatives and projects to reduce CO_2 emissions			• Geothermal Energy: Geothermal wells provide hot water, which can be used for cooling. This process reduces the reliance on electricity and consequently lowers emissions. • Thin-Film Solar Technology: Flexible HyEt silicon modules efficiently generate power on various surfaces, including curved ones like storage tanks. This adaptability makes them ideal for diverse applications. • Efficient VFD Motors: The deployment of Variable Frequency Drive (VFD) motors improves energy efficiency, contributing to emission reductions. • Thermal Energy Storage: Implementing thermal energy storage helps optimize energy usage and reduces peak demand, leading to lower emissions. • Solar Plants: Solar power generation, exemplified by a 1.2MW pilot project across two district cooling plants, provides clean energy and reduces reliance on fossil fuels. • Passive Radiative Cooling: Skycool Systems panels utilize passive radiative cooling, a process that dissipates heat without consuming energy, thus contributing to emission reduction. • Transportation Initiatives: Promoting carpooling and increased metro use reduces the number of vehicles on the road, lessening traffic congestion and associated emissions.		
E2. Emissions Intensity	E2. 1) GHG emissions intensity	Total GHG Emissions/ Refrigeration ton-hour production	Kg CO2e/Ton-Hr Refrigeration Produced	0.25	GRI 305 - Emissions 2016	13 CLIMATE ACTION
	E2. 2) Non-GHG emissions intensity	Total non-GHG Emissions/ Production Units		-		

SUSTAINABILITY PERFORMANCE

Environmental Metrics	Indicators	Sub-Indicators	Unit	Tabreed 2024 Data	Corresponding GRI Standards	SDGs
E3. Energy Usage	E3.1) Total amount of direct energy consumed	Petrol	Litres	1,105,522 (38.48 TJ)	GRI 302: Energy 2016	12 Responsible consumption and production
		Diesel	Litres	3,820 (0.15 TJ)		
		Natural Gas	m^3	2,616,143 (103.60 TJ)		
	E3.2) Total amount of indirect energy consumed	Electricity (via National Utility)	kWh	2,127,345,976		
		Internally generated electricity (via Natural Gas)	kWh	23,856,895		
E4. Energy Intensity	E4.1) Direct energy use intensity	Total direct energy consumption/ Refrigeration ton-hour production	MJ/Refrigeration ton-hour production	0.06	GRI 302: Energy 2016	7 Affordable and clean energy; 12 Responsible consumption and production
	E4.2) Indirect energy use intensity	Total indirect energy consumption/ Refrigeration ton-hour production	MJ/Refrigeration ton-hour production	2.98		
	E4.3) Total energy intensity	Total energy consumption/ Refrigeration ton-hour production	MJ/Refrigeration ton-hour production	3.04		

SUSTAINABILITY PERFORMANCE

Environmental Metrics	Indicators	Unit	Tabreed 2024 Data	Corresponding GRI Standards	SDGs
E4. Energy Intensity	E4.4) Please describe investments, initiatives and projects to reduce energy consumption and to increase energy efficiency		Key initiatives include retrofitting chillers with MV drives and pumps with LV drives, utilizing thermal energy storage (including participation in a DOE demand response project), and operating a geothermal plant. Solar panels are also used to power plant auxiliaries. Efficiency improvements are being pursued through several initiatives. Maxwell Technology, which demonstrated an 8.4% efficiency increase in a pilot installation, is being deployed in three additional district cooling plants, with an expected 10% improvement. EndoCool, an organic heat transfer fluid additive, achieved a 15.8% energy savings in a pilot study at a Mumbai facility and is being considered for broader implementation. Finally, condenser pumps were retrofitted with VFDs in four plants, and chiller motors were retrofitted for VFD compatibility in one plant as part of an ongoing VFD retrofit project.	GRI 302: Energy 2016	7 Affordable and Clean Energy; 12 Responsible Consumption and Production
E5. Energy Mix	E5.1) Renewable energy used	GJ, MWh or %	15,413.23 GJ	GRI 302: Energy 2016	7 Affordable and Clean Energy
	E5.2) Non-renewable energy used	GJ, MWh or %	Petrol – 0.493% Diesel – 0.002% Natural Gas – 1.328% Electricity (via National Utility) - 98.177%		
E6. Water and Effluents	E6.1) Total amount of water withdrawn	m3	2,407,269	GRI 303: Water and Effluents 2018	6 Clean Water and Sanitation; 12 Responsible Consumption and Production
	E6.2) Total amount of water discharged	m3	677,541		

SUSTAINABILITY PERFORMANCE

Environmental Metrics	Indicators	Unit	Tabreed 2024 Data	Corresponding GRI Standards	SDGs
E6. Water and Effluents	E6.3) Total amount of water consumed (if possible, a breakdown by source)	m^3	18,849,447	GRI 303: Water and Effluents 2018	6 CLEAN WATER AND SANITATION; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	E6.4) Water intensity	m3 water consumed/ Refrigeration ton hour production	0.0073		
	E6.5) Water recycled (if applicable)	m^3	1,212,561		
	E6.6) Please describe investments, initiatives and projects to reduce water consumption and to increase water recycling		Tabreed is investing in infrastructure and water systems to improve water efficiency by at least 20%, including treated sewage effluent (TSE) and a seawater plant in Bahrain. Water recycling initiatives in Abu Dhabi include pursuing TSE connections for sixteen plants, with DOE feasibility studies planned for five. In Dubai, cooling tower blowdown is routed through a TSE polishing plant for reuse as cooling tower makeup.		

SUSTAINABILITY PERFORMANCE

Environmental Metrics	Indicators	Unit	Tabreed 2024 Data	Corresponding GRI Standards	SDGs
E7. Waste	E7.1) Total amount of waste generated (if possible, broken down by hazardous and non-hazardous)	-	**Non-hazardous** – 82.8 tonnes	GRI 306: Waste 2020	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 14 LIFE BELOW WATER 15 LIFE ON LAND
	E7.2) Total amount of waste diverted from disposal (if possible, broken down by hazardous and non-hazardous)	-	**Hazardous** - Empty chemical cans: 21,870 Pieces Waste oil: 41,387 litres Used batteries: 1,140 Pieces These hazardous wastes were recycled through approved contractors.		
	E7.3) Total amount of waste directed to disposal (if possible, broken down by hazardous and non-hazardous)	-	**Non-hazardous** - 82.8 tonnes		
	E7.4) Total number and volume of oil spills (if applicable)	Number or Tonnes	Not applicable		
	E7.5) Please describe investments, initiatives and projects implemented in the year 2023 to reduce waste generation consumption and to increase waste recycling	-	All generated hazardous waste is recycled through municipality-approved contractors.		

SUSTAINABILITY PERFORMANCE

Environmental Metrics	Indicators	Unit	Tabreed 2024 Data	Corresponding GRI Standards	SDGs
E8. Environmental Management	E8.1) Does your company follow a formal Environmental Policy?	Yes/No	Yes, Tabreed has an Environmental Policy	GRI 2-23, 2-24	13 CLIMATE ACTION
	E8.2) Does your company follow specific waste, water, energy, and/or recycling policies?	Yes/No	Yes, Tabreed's integrated management system (IMS) prioritizes and addresses all environment-related areas, including waste, water, energy, and recycling.		
	E8.3) Does your company adopt a recognized environment and energy management systems such as ISO 14001 and ISO 50001?	Yes/No	Yes, Tabreed is certified to both ISO 14001 and ISO 50001.		
	E8.4) Does your company have targets in place with regards to environment, energy, water and waste?	Yes/No	Yes, we have established Key Performance Indicators (KPIs) to optimize Power and Water consumption in every plant room. We remain committed to exploring and investing in innovative solutions to improve operational efficiency and drive sustainable advancements across our facilities		
	E8.5) Please indicate if any fines received for non-compliance with laws and regulations regarding environmental management during the last reporting period	Yes/No	No		

SUSTAINABILITY PERFORMANCE

Environmental Metrics	Indicators	Unit	Tabreed 2024 Data	Corresponding GRI Standards	SDGs
E9. Climate Risk Management and Oversight	E9.1) Does your Board/Management Team oversee and/or manage climate-related risks and opportunities? If yes, describe.	Yes/No	Yes, Tabreed's Executive Management Team, comprising senior leadership including the CEO, CFO, COO, CDO, CAMO, and CLC, oversees climate-related risks and opportunities as part of the company's broader ESG governance structure. This team, alongside three additional leaders, also forms the core of the ESG Committee, chaired by the CEO, ensuring that sustainability and climate-related risks are embedded in corporate decision-making. The ESG Committee, includes specialized subcommittees dedicated to Environmental, Social, and Governance matters. Additionally, the Executive Management Team has been tasked with defining a company-wide ESG objective with clear milestones, which is measured through the company's corporate scorecard. This structured governance ensures that climate-related risks and opportunities are systematically managed while reinforcing Tabreed's commitment to sustainable district cooling solutions.	GRI 2-12	13 CLIMATE ACTION

SUSTAINABILITY PERFORMANCE

Environmental Metrics	Indicators	Unit	Tabreed 2024 Data	Corresponding GRI Standards	SDGs
E9. Climate Risk Management and Oversight	E9.2) Please describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.		As climate change continues to reshape business and regulatory landscapes, Tabreed faces both physical and transition risks, along with growth opportunities. Physical risks stem from the increasing frequency and intensity of extreme weather events, such as storms and floods, which can damage infrastructure, disrupt operations, and escalate maintenance costs. Transition risks arise from regulatory changes, market shifts, and technological advancements that necessitate investment in lower-carbon solutions to remain competitive. However, climate change also presents opportunities. Rising demand for energy-efficient cooling in high-temperature regions positions district cooling as a preferred low-carbon alternative. Favorable regulations, and incentives for sustainable cooling infrastructure further support business growth. Tabreed's investment in innovative technologies, operational resilience, and alignment with UAE Net Zero 2050 initiatives enhance its resilience and market position.	GRI 2-12	13 CLIMATE ACTION

SUSTAINABILITY PERFORMANCE

Environmental Metrics	Indicators	Unit	Tabreed 2024 Data	Corresponding GRI Standards	SDGs
E9. Climate Risk Management and Oversight	E9.3) Please describe the organization´s processes for identifying and assessing climate-related risks	-	Tabreed recognizes the importance of understanding and addressing climate-related risks to ensure long-term operational resilience and business continuity. To this end, we have undertaken an internal assessment based on the Task Force on Climate-related Financial Disclosures (TCFD) framework. This foundational step involved evaluating the potential impacts of both physical and transition climate-related risks on our operations, financial performance, and overall sustainability strategy. Moving forward, Tabreed is committed to further enhancing the rigor of its climate risk assessment process by integrating climate-related risks into our enterprise-wide risk management framework, ensuring that these considerations are factored into strategic planning and investment decisions.	GRI 2-23, 2-24	13 CLIMATE ACTION
	E9.4) Please describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	-	Climate-related risks significantly impact Tabreed's operations, given its role as a leading district cooling provider. Physical risks, such as extreme weather events, can disrupt operations, increase infrastructure vulnerabilities and increase maintenance costs. Additionally, market shifts toward energy-efficient and low-carbon cooling solutions present both challenges and opportunities, as growing customer demand for sustainable cooling drives the need for innovation and adaptation. To address these risks, Tabreed has embedded climate considerations into its corporate strategy and financial planning. This includes aligning with UAE's Net Zero 2050 by adopting innovative cooling technologies, integrating renewable energy solutions like geothermal-powered cooling, and deploying AI-driven efficiency measures to optimize operations. Strategic capital investments in infrastructure resilience and exploration of green financing instruments and participation in carbon credit markets to fund climate initiatives ensure long-term sustainability, enabling Tabreed to mitigate risks while strengthening its market position in the transition to a low-carbon economy.		
	E9.5)Total amount invested, periodically, in climate-related infrastructure, resilience and product development	Monetary value. Reporting currency, preferably in USD	USD 457,000		

SUSTAINABILITY PERFORMANCE

Environmental Metrics	Indicators	Unit	Tabreed 2024 Data	Corresponding GRI Standards	SDGs
E9. Climate Risk Management and Oversight	E9.6) Please describe the greenhouse gas emission targets (Scope1, Scope 2 and Scope3) and the related risks	-	Tabreed is committed to reducing Scope 1, Scope 2, and Scope 3 emissions in alignment with the UAE's Net Zero by 2050 initiative. Scope 1 emissions arise from fuel combustion in district cooling plants, which Tabreed mitigates through operational efficiency and cleaner technologies. Scope 2 emissions result from purchased electricity, and the company is reducing these by enhancing energy efficiency and integrating renewable energy sources. Scope 3 emissions, covering indirect emissions across the value chain, are currently being assessed to establish reduction targets and address the broader environmental impact of operations. Risks may include regulatory, reputational, and operational related to its GHG emissions. Stricter compliance requirements may increase costs, while stakeholder expectations for sustainability leadership drive the need for transparency and continuous improvement. Additionally, climate-related disruptions could impact infrastructure and service reliability. By proactively investing in low-carbon solutions and emissions reduction strategies, Tabreed is mitigating these risks while reinforcing its position as a leader in sustainable district cooling.	GRI 2-23, 2-24	13 CLIMATE ACTION
	E9.7) Please share your actions to align with UAE's Net Zero Commitment by 2050. Do you have a net zero emissions target in place?	-	Tabreed is actively supporting the UAE's Net Zero by 2050 commitment through a comprehensive decarbonisation strategy focused on energy efficiency, renewable integration, and technological innovation. In March 2023, Tabreed reinforced this **commitment by signing the UAE Climate-Responsible Companies Pledge.** To further align with Net Zero goals, Tabreed has pioneered renewable energy solutions, including the G2COOL geothermal-powered district cooling plant in partnership with ADNOC. The company is also deploying AI-driven digital solutions to optimise cooling efficiency. Additionally, Tabreed participates in carbon credit markets and clean energy certificate programmes, reinforcing its commitment to sustainable cooling infrastructure and reducing its overall carbon footprint. Through these strategic actions, Tabreed is contributing significantly to the UAE's goal of achieving net-zero emissions by 2050, positioning itself as a leader in sustainable district cooling solutions.		
E10. Biodiversity	E10.1) Please share number of operational sites owned, managed and/or leased in or adjacent to protected areas and areas of high biodiversity value.	-	19 plants	GRI 304: Biodiversity 2016	15 LIFE ON LAND
	E10.2) Please describe significant impacts of activities, products and services on biodiversity	-	Tabreed's activities interact with biodiversity primarily through water usage, infrastructure development, energy consumption, and chemical management. District cooling systems require water for efficient operation, and while the company implements water conservation measures, resource use may still have localized effects on aquatic ecosystems. Infrastructure expansion is carefully planned to minimize habitat disturbance, and while district cooling is more energy-efficient than conventional cooling, indirect emissions are continuously being reduced through efficiency improvements and renewable energy integration. To further enhance environmental stewardship, Tabreed employs water recycling, AI-driven efficiency solutions, and strict environmental compliance measures to reduce potential impacts. Additionally, Tabreed actively contributes to ecosystem restoration efforts, including beach clean-up to reduce marine pollution and mangrove planting initiatives that support coastal biodiversity, enhance carbon sequestration, and protect shorelines from erosion.		

SUSTAINABILITY PERFORMANCE

Social Metrics	Indicators	Sub-Indicators	Unit	Tabreed 2024 Data	Corresponding GRI Standards	SDGs
S1. CEO Pay Ratio	S1.1) Ratio: CEO total fixed compensation to median Full Time Equivalent (FTE) total fixed compensation		i.e. 1:1 or 1:1.8 or 1:7.5	1:0.040	GRI 102: General Disclosures 2016	10 REDUCED INEQUALITIES
	S1.2) Does your company report this metric in regulatory filings?		Yes/No	Yes		
S2. Breakdown with Staff	S2.1) Please share the total enterprise headcount held by full-time employees (broken down by, gender, age and seniority level)	Total	Number	**903**	GRI 2-7, 405-1	5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH
		Male	Number & %	822 (92%)		
		Female	Number & %	81 (8%)		
		Employees aged under 30 years	Number & %	55 (6%)		
		Employees aged between 30-50 years	Number & %	682 (76%)		
		Employees aged above 50 years	Number & %	166 (18%)		
		Employees from Staff	Number & %	771 (85%)		
		Employees from Middle Management	Number & %	115 (13%)		
		Employees from Senior Management & Executives	Number & %	17 (2%)		

SUSTAINABILITY PERFORMANCE

Social Metrics	Indicators	Sub-Indicators	Unit	Tabreed 2024 Data	Corresponding GRI Standards	SDGs
S2. Breakdown with Staff	S2.2) Please share the total enterprise headcount held by *temporary employees (broken down by, gender, age and seniority level) **Tabreed has no separate category for part-time employees, but it has two broad categories of full time and temporary employees. Temporary employees are represented by contractors and/or consultants*	Male	Number and %	201 (95%)	GRI 2-7, 405-1	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
		Female	Number and %	10 (5%)		
		Employees aged under 30 years	Number and %	42 (20%)		
		Employees aged between 30-50 years	Number and %	163 (77%)		
		Employees aged above 50 years	Number and %	6 (3%)		
		Employees from Staff	Number and %	211 (100%)		
		Employees from Middle Management	Number and %	0		
		Employees from Senior Management & Executives	Number and %	0		
	S2.3) Please share the total enterprise headcount held by contractors and/or consultants		Number	211		

SUSTAINABILITY PERFORMANCE

Social Metrics	Indicators	Sub-Indicators	Unit	Tabreed 2024 Data	Corresponding GRI Standards	SDGs
S2. Breakdown with Staff	S2.4) Please share the total of national employees (broken down by, gender, age and seniority level)	Male	Number and %	49 (53%)	GRI 2-7, 405-1	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
		Female	Number and %	44 (47%)		
		Employees aged under 30 years	Number and %	28 (30%)		
		Employees aged between 30-50 years	Number and %	57 (61%)		
		Employees aged above 50 years	Number and %	8 (9%)		
		Employees from Staff	Number and %	64 (69%)		
		Employees from Middle Management	Number and %	20 (21%)		
		Employees from Senior Management & Executives	Number and %	9 (10%)		

SUSTAINABILITY PERFORMANCE

Social Metrics	Indicators	Sub-Indicators	Unit	Tabreed 2024 Data	Corresponding GRI Standards	SDGs
S3. Employee Turnover and New Hires	S3.1) Year-over-year change for full-time employees (broken down by gender, age, and seniority level)	Male	Number and %	70 (82%)	GRI 401-1	10 REDUCED INEQUALITIES
		Female	Number and %	15 (18%)		
		Employees aged under 30 years	Number and %	6 (7%)		
		Employees aged between 30-50 years	Number and %	70 (82%)		
		Employees aged above 50 years	Number and %	9 (11%)		
		Employees from Staff	Number and %	69 (81%)		
		Employees from Middle Management	Number and %	13 (15%)		
		Employees from Senior Management & Executives	Number and %	3 (4%)		
	S3.2) Year-over-year change for part-time employees		Number and %	Not applicable. Tabreed has no separate category for part-time employees.		

SUSTAINABILITY PERFORMANCE

Social Metrics	Indicators	Sub-Indicators	Unit	Tabreed 2024 Data	Corresponding GRI Standards	SDGs
S3. Employee Turnover and New Hires	S3.3) Year-over-year change for contractors and/or consultants		Number and %	79 (60%)	GRI 2-8	10 REDUCED INEQUALITIES
	S3.4) Year-over-year of new hires (broken down by age, gender and seniority level)	Total	Number	31	GRI 401-1	
		Male	Number & %	26 (84%)		
		Female	Number & %	5 (16%)		
		Employees aged under 30 years	Number & %	13 (42%)		
		Employees aged between 30-50 years	Number & %	16 (52%)		
		Employees aged above 50 years	Number & %	2 (6%)		
		Employees from Staff	Number & %	23 (74%)		
		Employees from Middle Management	Number & %	8 (26%)		
		Employees from Senior Management & Executives	Number & %	0 (0%)		

SUSTAINABILITY PERFORMANCE

Social Metrics	Indicators	Sub-Indicators	Unit	Tabreed 2024 Data	Corresponding GRI Standards	SDGs
S4. Gender Diversity and Equality	S4.1) Total enterprise headcount held by men and women	Male	Number and %	1023 (92%)	GRI 2-9; 405-1	5 GENDER EQUALITY
		Female	Number and %	91 (8%)		
	S4.2) Total entry and mid-level positions held by men and women	Entry Level: Male	Number and %	569 (51.1%)		
		Entry Level: Female	Number and %	7 (0.6%)		
		Mid-Level: Male	Number and %	337 (30.2%)		
		Mid-Level: Female	Number and %	69 (6.2%)		
	S4.3) Total senior and executive-level positions held by men and women	Senior Level: Male	Number and %	103 (9.2%)		
		Senior Level: Female	Number and %	12 (1.1%)		
		Executive Level: Male	Number and %	14 (1.3%)		
		Executive Level: Female	Number and %	3 (0.3%)		
	S4.4) The ratio of median male employee compensation to median female employee compensation		Number	1:3.41		

SUSTAINABILITY PERFORMANCE

Social Metrics	Indicators	Unit	Tabreed 2024 Data	Corresponding GRI Standards	SDGs
S4. Gender Diversity and Equality	S4.5) Please describe your company's initiatives or programs to support the recruitment and retention of female employees, and to support female employees to advance to management positions.		Tabreed's female employees have actively participated in transformative training programs, such as the Coaching/ Strength Coach and Hawkamah Directors Development Program (for Board Members). These leadership-focused initiatives have empowered the female employees to enhance their skills and make meaningful contributions to the workplace. Through these programs, they gained valuable insights and strategies to excel in leadership roles. In celebration of Women's Day, Tabreed organized a half-day workshop for all female employees, recognizing and honoring their achievements and contributions. The organization is analysing the results of the Culture and Engagement Survey to better understand the challenges faced by women employees in the workplace. Based on these insights, they will take focused actions to address and support their needs.	GRI 2-23	5 GENDER EQUALITY
S5. Human Rights	S5.1) Does your company follow a harassment and/or non-discrimination policy?	Yes/No	Yes, Tabreed has a Diversity Equity & Inclusion (DE&I) Policy which is committed to creating an inclusive workplace for all. The organization also has a Human Rights Policy which acts in accordance with Conventions no. 100 and 111 on non-discrimination.	GRI 404-1	10 REDUCED INEQUALITIES
	S5.2) Does your company have a formal grievance mechanism in place?	Yes/No	Yes, Tabreed has developed in its Code of Conduct a reporting process for any grievance or complaints, which is known as the Employee Assurance and Resolution System (EARS). Complaints can be made anonymously, by telephone or online as preferred. The Code is made available to all employees and employees undertake annual training to refresh their knowledge of the Code.		
	S5.3) Does your company follow a child and/or forced labor policy?	Yes/No	Yes, Tabreed's Human rights policy ensures that no forced labour happens within their operations. Suppliers are required to read and acknowledge this policy during the onboarding process.		
	S5.4) Does your company follow a human rights policy?	Yes/No	Yes, Tabreed has a Human rights Policy.		
	S5.5) Does your company provide training on human rights and related internal policies for your employees?	Yes/No	Yes. Tabreed's employees, contractors and suppliers are made aware of various policies (like Sexual Harassment Policy) including the Human Rights policy and are expected to adhere to them.		

SUSTAINABILITY PERFORMANCE

Social Metrics	Indicators	Unit	Tabreed 2024 Data	Corresponding GRI Standards	SDGs
S6. Health and Safety	S6.1) Does your company follow an occupational health and safety policy?	Yes/No	Yes, Tabreed has in place integrated management system (IMS) which deals with the health and safety of the employees. All employees, contractors, and stakeholders are expected to align with this policy to achieve and maintain excellence in IMS performance.	GRI 2-23	3 GOOD HEALTH AND WELL-BEING
	S6.2) Does your company adopt a recognized health and safety management systems such as ISO 45001?	Yes/No	Yes, Tabreed has an Occupational Health & Safety Management System (ISO 45001:2018) in place.		
	S6.3) Please share the total employee and total contractors (if available) manhours	Hours	Total man-hours: 3,376,713 Total full-time employee manhours: 2,,304,473 Total contractors' manhours: 1,072,240	GRI 403-9	
	S6.4) Please share the total employee fatalities	Number	0	GRI 403-9	
	S6.5) Please share the employee lost time injury (LTI)	Number	1 (The incident causing the injury happened at the AD-012 plant)		
	S6.6) Please share the lost time injury frequency (LTIF)	Number	0.29	GRI 403-9	
	S6.7) Please share the total health and safety training provided to employees	Number	13,923 hours – Inclusive of all HSE trainings (Internal, external, SLOT and HSE E-Learning)	GRI 403-9	

SUSTAINABILITY PERFORMANCE

Social Metrics	Indicators	Sub-Indicators	Unit	Tabreed 2024 Data	Corresponding GRI Standards	SDGs
S7. Community Engagement	S7.1) Please share the total amount invested in the community, including philanthropy, donations and sponsorships	Amount invested / Yearly revenue in reporting currency	% (AED)	Tabreed invested AED 300,000 in various CSR initiatives. These include sponsoring the Red Crescent Ramadan Iftar Tent, funding solar panels for cooling and lighting at four mosques in India, supporting school supplies for 260 students through the Back-to-School initiative, contributing to the Sustainable Farm project at the Dubai Club for People of Determination, and supporting environmental efforts such as mangrove planting and beach clean-up activities.	GRI 413	8 DECENT WORK AND ECONOMIC GROWTH
	S7.2) Please share the total employee volunteering completed during the reporting period		Number	A total of 100 employees participated in the above-mentioned CSR initiatives, demonstrating Tabreed's commitment to community engagement and development.		

SUSTAINABILITY PERFORMANCE

Governance Metrics	Indicators	Sub-Indicators	Unit	Tabreed 2024 Data	Corresponding GRI Standards	SDGs
G1. Board Diversity	G1.1) Total board seats occupied by men & women	Men	Number and %	7 (78%)	GRI 405-1	10 REDUCED INEQUALITIES
		Women	Number and %	2 (22%)		
	G1.2) Total committee chairs occupied by men & women	Men	%	6 (86%)		
		Women	%	1 (14%)		
G2. Board Independence	G2.1) Does company prohibit the CEO from serving as board chair?		Yes/No	Yes	GRI 405-1	
	G2.2) Please share the total board seats occupied by independents		%	100%		
G3. Collective Bargaining	G3) Please share the total enterprise headcount covered by collective bargaining agreement(s)		%	Collective bargaining is not permitted within the UAE	GRI 2-30	

SUSTAINABILITY PERFORMANCE

Governance Metrics	Indicators	Unit	Tabreed 2024 Data	Corresponding GRI Standards	SDGs
G4. Supply Chain Management	G4.1) Are your vendors or suppliers required to follow a Code of Conduct?	Yes/No	Yes, Tabreed requires all its suppliers to adhere to Tabreed's Supplier Code of Conduct. https://www.tabreed.ae/wp-content/uploads/2024/03/Supplier_Code_of_Conduct_12024.pdf		12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	G4.2) If yes, what percentage of your suppliers are formally certified and compliant with the Code?	%	100%. All suppliers are required to align with our Code of Conduct.	GRI 308-1	
	G4.3) Please share the suppliers that underwent a supplier's environmental audit during the reporting period	Number/%	288 suppliers went through screening	GRI 414-1	
	G4.4) Please share the suppliers that underwent a supplier's social audit during the reporting period	Number/%	100%. All suppliers go through a comprehensive process where they are assessed for social impacts.	GRI 308-1, 414-1	
	G4.5) Please share the new suppliers receiving warning due to the environmental/social screening	Number/%	0	GRI 2-19	

SUSTAINABILITY PERFORMANCE

Governance Metrics	Indicators	Unit	Tabreed 2024 Data	Corresponding GRI Standards	SDGs
G5. Ethics & Anti-corruption	G5.1) Does your company follow an Ethics and/or Anti-Corruption policy?	Yes/No	Yes, Tabreed's Code of Conduct provides for Anti Corruption behavior, understanding what is expected from employees and reporting channels.	GRI 2-23	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	G5.2) Please share the workforce formally compliant with the Anti-Corruption Policy	%	100%	GRI 205-2	
	G5.3) Please share the confirmed incidents of corruption during the reporting period	Number	0	GRI 205-3	
	G5.4) Please share the corrective measures taken corresponding to the confirmed incidents of corruption (in case of any)	Text	Not applicable, as zero cases reported	GRI 205-4	
G6. Data Security	G6.1) Does your company follow a Data Privacy policy?	Yes/No	Tabreed is working on finalising this policy.	GRI 418-1	
	G6.2) Has your company taken steps to comply with GDPR rules or similar standards?	Yes/No	Tabreed operates in the UAE, Bahrain, Oman, India and Egypt and has no operations Europe, so GDPR compliance is not particularly relevant to our operations. Having said, this we do take steps to protect company and customer data and will further enhance protections in months ahead in line with legal requirements.		
	G6.3) Data security breaches during the reporting period (if any)	Number	Not applicable, as Tabreed is not dealing with any entity in America or Europe	GRI 418-1	

SUSTAINABILITY PERFORMANCE

Governance Metrics	Indicators	Unit	Tabreed 2024 Data	Corresponding GRI Standards	SDGs
G7. Sustainability Practices	G7.1) Does your company publish a sustainability report?	Yes/No	Yes		16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	G7.2) Does your company publish a GRI, WEF, SASB, IIRC, UNGC or CDP based reporting?	Yes/No	Yes, Tabreed's Sustainability Report adheres to the SCA regulations. The report is prepared in accordance with GRI standards and is aligned with the SDGs most relevant to its business activities.		
	G7.3) Does your company provide training to its employees regarding regulatory topics related to sustainability (environment, human rights, ethics, etc)?	Yes/No	Yes	GRI 404-1	
	G7.4) Please share the total sustainability related training provided to employees	Number/Text	848 hours training related to Sustainability, Environment and Energy. 104 hours for governance and 194 hours for DE&I related. Tabreed's Compliance team maintains on an annual and regular basis, the online training for all its corporate staff on Anti- Bribery and Corruption.	GRI 404-2	
G8. External Assurance	G8.1) Are your sustainability disclosures assured or validated by a third party?	Yes/No	No	GRI 2-5	

NOTES:

This report covers the ESG data for the year 2024 only to maintain consistency with the requirements.

Tabreed's DFM compliant ESG requirements for the year 2021 and 2022 were reported in its Annual Report 2022,

- https://www.tabreed.ae/wp-content/uploads/2023/02/2022-Annual-Report-En.pdf

Tabreed's DFM compliant ESG requirements for the year 2023 were reported in its Annual Report 2023

- https://www.tabreed.ae/wp-content/uploads/2024/03/2023_Integrated_Annual_Report_En.pdf

Tabreed also publishes its full ESG Report, in accordance with global reporting initiative (GRI) Standards.

- ESG Report 2021, https://www.tabreed.ae/wp-content/uploads/2022/07/En-ESG-Report-Tabreed_vF.pdf
- ESG Report 2022, https://www.tabreed.ae/wp-content/uploads/2023/07/Tabreed_ESG_Report_2022.pdf
- ESG Report 2023, https://www.tabreed.ae/wp-content/uploads/2024/06/Tabreed-ESG-Report-2023.pdf

Corporate Governance

BOARD OF DIRECTORS

Dr. Bakheet Al Katheeri

Chairman, Non-Executive, Independent

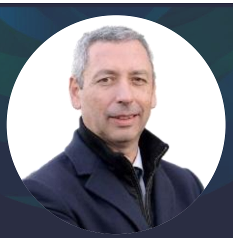
Dr. Bakheet is the Executive Director of the UAE Industries unit within Mubadala's UAE Investments platform. The platform contributes to the acceleration of the UAE's economic transformation, and investing in national world class champions, fostering vibrant industrial and commercial clusters, and partnering with world-class global entities.

Until 2020 he was CEO of Mubadala Petroleum where he was responsible for maintaining overall responsibility for MP's global operations, health & safety, strategy & growth, finance as well as managing the company's human capital.

With over 20 years of diverse experience in the energy sector, Dr. Bakheet is a member of industry Boards and committees in the UAE including ADNOC Group, Cepsa, Oil Search, Mubadala Petroleum, and Emirates Global Aluminium.

Before joining Mubadala Dr. Bakheet held positions at Abu Dhabi National Oil Company (ADNOC), leading production and facilities engineering for five of its operating companies, covering all offshore operators in Abu Dhabi.

Dr. Bakheet holds a BSc degree in Petroleum Engineering and applied Mathematics from the University of Tulsa (Oklahoma, USA) and MSc in Environmental Science from UAE University. He also holds an Executive MBA from HCT, UAE, and a Doctorate of Business Administration from the College of Business and Economics, UAE University



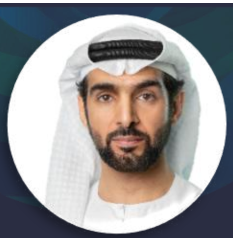
Paulo Almirante

Vice Chairman, Non-Executive, Independent

Paulo Almirante is currently Senior Executive Vice President in charge of the Global Business Unit Renewables, Global Energy Management and Nuclear Production activities, and is a member of ENGIE's Executive Committee.

He is a board member of several ENGIE group companies. He holds a Master of Science degree in Mechanical Engineering Production Management and a Master's degree in Mechanical Engineering Thermodynamics from the Instituto Superior Técnico in Lisbon, Portugal.

BOARD OF DIRECTORS



Dr. Mansoor Al Hamed

Board Member, Non-Executive, Independent

Dr. Mansoor Al Hamed was appointed Chief Executive Officer of Mubadala Energy in 2021 and Managing Director in 2024. Prior to such appointments, he held the position of Chief Growth Officer where he was responsible for all new business development and Mergers & Acquisitions activities at Mubadala Energy.

He brings with him more than 15 years of diverse experience in the oil and gas industry and across various disciplines of business leadership.

Before joining Mubadala Energy, he worked in a highly diversified private sector business based in the UAE, gaining experience across commercial and managerial roles held in various business sectors.

Dr. Mansoor Al Hamed holds a BSc degree in Business Administration from the American University in Dubai and two MSc degrees from Abu Dhabi University and National Defense College in Abu Dhabi.

Musabbeh Al Kaabi

Board Member, Non-Executive, Independent

Musabbeh Al Kaabi leads ADNOC's Low Carbon Solutions & International Growth Directorate. He is responsible for driving ADNOC's investments in new energies and low carbon solutions, as well as its international growth, technology, and sustainability strategies. .

Al Kaabi currently serves as Chairman of the Board of Directors of Mubadala Energy and Yahsat. He is also a board member of Masdar, Tabreed, ADNOC Gas and Environment Agency – Abu Dhabi. In the past, he has served on the boards of several leading organizations including First Abu Dhabi Bank, Dolphin Energy, Emirates Global Aluminium, Borealis, Cepsa, NOVA Chemicals and Cleveland Clinic Abu Dhabi.

Musabbeh holds a Bachelor of Science degree in Geophysical Engineering from Colorado School of Mines and a Master of Sciences degree in Geoscience from Imperial College, London.

BOARD OF DIRECTORS

Pierre Cheyron

Board Member, Non-Executive, Independent

Pierre Cheyron is the Chief Development and Strategy Officer of ENGIE Energy Solutions and member of the operational executive committee of ENGIE.

Until 2020, Pierre was the CEO of ENGIE Southeast Asia, leading one of the fastest growing key business clusters in the Asia-Pacific organisation towards Zero-Carbon Transition by delivering integrated solutions to its customers.

Pierre joined ENGIE in 2011 as CEO of Cofely Southeast Asia, and then overseeing all Service activities of ENGIE in the Asia-Pacific region from 2015 to 2018. Prior to ENGIE, Pierre was with Alcatel-Lucent in various key management roles in Asia and Europe. He was appointed President of the Malaysian French Chamber of Commerce & Industry from 2011 to 2015 and is currently a member of the board with the French Chamber of Commerce in Singapore.

Marion Deridder Blondel

Board Member, Non-Executive, Independent

Marion is the Chief Strategy and Business Development Officer of ENGIE's Energy Solutions activities, based in Paris, and reporting to Frank Lacroix, Executive VP of ENGIE in charge of Energy Solutions (11B€ Revenues across more than 20 countries, 40 000 employees). Energy Solutions is the world leader in energy efficiency and distributed decarbonisation solutions for companies (industrial and commercial) and communities (cities, campuses).

Her worldwide responsibilities include the definition of the Strategy of ENGIE's activities in different regions, the overview of its commercial performance, the management of its portfolio of innovations, the definition of its offers, the piloting of its M&A files, marketing and communications.

Previously, Marion was Chief Marketing, Communication & Data Officer of ENGIE's B2C activities. As such she had the responsibility of building the power and gas offers that were sold to 20 million customers, as well as home equipment offers such as heat pumps, boilers or solar panels. Marion holds a degree from HEC, one of the best ranked business schools in France.

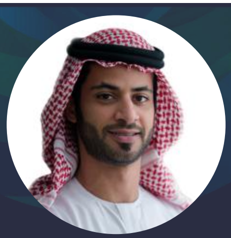
BOARD OF DIRECTORS

Geert Bunkens

Board Member, Non-Executive, Independent

Geert Bunkens is the VP Regional Hub for AMEA and VP of Finance for AMEA at ENGIE. He is based in Dubai and brings to the table extensive experience in project financing, financial planning and analysis, profit-and-loss leadership, and mergers and acquisitions.

Geert joined ENGIE's project finance team in 2005 and quickly advanced his career. He managed corporate financing in Belgium and Australia, led regional corporate finance operations, and served as CFO Asia Pacific in Singapore from 2018 to 2021. He holds a Master's degree in Commercial Engineering, majoring in Finance, as well as a Master's degree in Taxation from the University of Leuven (KU Leuven) in Belgium



Saeed Ali Khalfan Al Dhaheri

Board Member, Non-Executive, Independent

Saeed Al Dhaheri is an executive Board member of Ali & Sons Holding LLC, where he serves on both the audit and the executive committees.

Moreover, Mr. Al Dhaheri is a Managing Director of Investments, overseeing investments in both Real Estate and public & private equities as well as Venture Capital. He is a non-executive director of National Central Cooling Company (Tabreed) and Peninsula Real Estate Management.

His past experience includes working as an analyst for Abu Dhabi Investment Authority and earning a bachelor's degree in Finance from the American University of Dubai.

BOARD OF DIRECTORS

H.E. Dr. Alyazia Ali Al Kuwaiti

Board Member, Non-Executive, Independent

Dr. Alyazia Ali Al Kuwaiti is the Executive Director of the Energy portfolio in Mubadala, responsible for ensuring the effective management of its global energy operating companies, including oversight of their business plans, growth strategies and overall performance.

Dr. Alyazia's corporate boards experience is primarily in the energy and industrial sector, with a strong record in financial and strategic value creation. In January 2021, she was nominated as a member of Mubadala's Investment and Business Planning Committee, which approves incoming transactions across the entire group of sectors including technology, financial services, real estate, healthcare, consumer and others.

A leading female figure in the UAE's energy investments sector, Dr. Alyazia plays an active role in accelerating the professional development of young Emiratis and is a strong advocate for the advancement of women in both the local workforce and, more broadly, in the international Energy scene.

She holds a bachelor's degree in Accounting and Finance from Portobello College in Dublin, Ireland; a Master's in International Business from the University of Wollongong in Dubai; and a PhD in Business Administration from UAE University on the topic of Corporate Governance in Publicly Listed Companies in UAE stock markets.

All Board members confirm the information provided herein, true and accurate.

We also confirm that no delegations or authorizations to any Board member or member of executive management were granted by the Board in respect of duties and functions of the Board of Directors during the year **2024.**

CORPORATE GOVERNANCE REPORT – TABLE OF CONTENTS

This Corporate Governance Report is Approved by:

Dr. Bakheet Al Katheeri
Chairman of the Board

Khalid Al Marzooqi
Chief Executive Officer

Dr. Alyazia Al Kuwaiti
Chairman of the Nomination and Remuneration Committee

Geert Bunkens
Chairman of the Audit, Risk and Compliance Committee

Syed Aley
Acting VP, Internal Audit

1. PREFACE

Corporate governance is the system of rules, practices and processes used to direct and manage a company.

The following report is governed by the Securities and Commodities Authority ("SCA") Chairman's Board of Directors' Decision No. 3 of 2020 as amended from time to time on the Joint Stock Companies Governance Guide ("Decision 3/2020") (as amended with Decision 2/2024) and the format of this report is prescribed by the SCA. This report outlines the compliance of National Central Cooling Company PJSC (the "Company" or "Tabreed") with Decision 3/2020 and its amendments, and the Company's overall integral governance structure in the period from 1 January 2024 to 31 December 2024.

In addition to the above, to ensure compliance with the external rules, Tabreed has adopted, updated and implemented, to list a few without limitation, a number of internal policies and procedures to emphasize the enforcement and application of the corporate governance by the Board and Tabreed's employees:

- Code of Conduct
- Anti-Bribery and Corruption Policy
- Audit, Risk and Compliance Committee Charter
- Delegation of Authority
- Related Party Transaction Policy
- Tabreed Market Conduct and Securities Trading Policy
- Internal Audit Charter;
- Human Rights Policy
- Ethical Framework
- Diversity, Equity & Inclusion Policy
- Business Consultants Policy
- Investor Relation Policy

Incorporated in 1998, Tabreed has 27 years of industry leading experience in the district cooling sector, with offices across the GCC, Egypt and India, with the aim of exploring entry into other countries. Throughout its journey Tabreed has enhanced its commitment to implementing the highest standards of corporate governance within the Company to enhance value for its shareholders and stakeholders.

2. COMPLIANCE WITH REGULATIONS

Tabreed’s corporate governance system is well developed, adopts local and international best practice and meets all relevant requirements of UAE legislation on corporate governance, including the Federal Decree by Law concerning Commercial Companies No. 32 of 2021 (as amended) and SCA Decision 3/2020 as amended by virtue of Decision 2/2024 applies to Tabreed’s listing on the Dubai Financial Market (“DFM”). The SCA supervises, controls and verifies Tabreed’s compliance with Decision 3/2020 (as amended) .

2. COMPLIANCE WITH REGULATIONS

- The General Assembly Meeting is the highest decision-making body in the Company and is the forum in which shareholders exercise their right to decide on the Company's direction. The Annual General Assembly Meeting ("AGA") is convened once a year to carry out tasks such as adopting the Board of Directors' report and the annual and consolidated accounts, discharging the members of the Board of Directors and the auditors from liability and deciding how the profit of the past financial year is to be allocated.
- The shareholders are the ultimate decision-makers in respect of the direction of the Company as the shareholders are responsible for appointing the Board of Directors at the AGA of the Company, each such appointment being for a term of three years. The shareholders present at the AGA also elect the auditors who in turn report on their scrutiny to the AGA.
- The following sections summarize how the Company has applied the principles of Decision 3/2020 and its compliance with these principles.

3. CORPORATE GOVERNANCE STRUCTURE

3.1. Board of Directors

(Art. 6, Decision 3/2020)

- The appointment, roles and responsibilities of the Board of Directors of Tabreed (the "Board" or "Board of Directors") are outlined in Tabreed's Articles of Association ("AoA").
- From implementation of the membership balance criteria set down by Decision 3/2020 in relation to executive, non-executive and independent members of the Board, up to and including the last Board election in 2023, we confirm that compliance was maintained by Tabreed for all criteria including those requirements for the independence of the Board members. The updated independence criteria for the Board members as prescribed by the SCA Res 3/2020 will be applied to Tabreed Board members at their next election cycle planned for March 2026.
- The Board has at all times maintained an appropriate level of skills, experience and capabilities across the membership.

3.2. Chairman of the Board

(Art. 7 and 15, Decision 3/2020)

- In 2024, both Khaled Abdulla Al Qubaisi (Jan-August) and Dr. Bakheet Al Katheeri (Aug – year end) have presided as the Chairman of the Board (the "Chairman").
- Mr. Al Qubaisi, prior to leaving the Board after many years of service, was a non-executive director with extensive and prominent experience in the finance and energy sectors both regionally and internationally.
- Dr. Bakheet is a non-executive director with notable and in-depth knowledge expertise in the energy and industrial sectors.
- Both Chairmen have ensured that the Board participated effectively at Board meetings and that each member of the Board acted in the best interests of Tabreed and its shareholders while maintaining the highest standard of regulatory governance and compliance requirements.

3.3. Members of the Board
(Art. 9, 10, 11, 13, 14, 16 - 19, Decision 3/2020)

- The members of the Board have a diverse set of skills and experience. Each member's duty is to act in the best interests of Tabreed and its shareholders. Each member of the Board ensures that Tabreed's management maintains systems and processes to ensure adherence to laws, regulations and Tabreed's operational requirements.
- The Board ensures that Tabreed's management provides them with sufficient information, in a timely manner, to make informed decisions that affect the direction of the Company. The Board members participate in Board meetings, giving independent opinions on strategic issues, policy, accounting, resources and principles of required behaviour. The Board tracks the Company's performance against strategic objectives.
- Each year, all Board members disclose to Tabreed an assessment of their independence, potential conflicts of interest, confirmation of confidentiality, details of any share trading and details of their significant positions in public companies or other institutions.

3.4. Remuneration of the Chairman and the Board Members (Art. 29, Decision 3/2020)

- The Chairman and the Board members are entitled to be remunerated by a percentage of up to a maximum of 10% of the net profits of the Company in respect of each fiscal year, subject to approval by the shareholders at the Company's AGA and subject to setting aside a statutory reserve of 10% of the net profits of the Company.

3.5. Board Committees

(Art. 6, 53 Decision 3/2020)

- The Board is empowered to establish Board committees and to delegate powers to such committees as necessary or appropriate. The Board delegates certain functions to well-structured committees but without abdicating its own responsibilities.
- Board committees are an effective way to distribute work between Board members and allow for more detailed consideration of specific matters. All the Board committees are functioning on behalf of the Board and the Board will be responsible for constituting, assigning, co-opting and fixing terms of service for Board committee members.
- Tabreed's Board has constituted four committees and implemented charters that define the obligations, duration and authority of each committee and these committees are regularly monitored by the Board regarding their performance and commitment. These committees are:
- Audit, Risk and Compliance Committee;
- Nomination and Remuneration Committee;
- Finance Committee; and
- Projects Committee
- The Audit, Risk and Compliance Committee ("ARC Committee") and the Nomination and Remuneration Committee ("NRC") are mandated by Decision 3/2020. The Finance Committee and the Projects Committee have been established by the Board of Directors as additional committees to facilitate the business requirements of the Company.

3.6 Audit, Risk and Compliance Committee

(Art. 60, 61, 61 bis, 62 and 63, Decision 3/2020)

- The Board maintains an ARC Committee that monitors financial statements, reviews and recommends changes to Tabreed's financial and control systems, and appoints and maintains an appropriate relationship with the Company's external auditors, it also oversees risk and compliance functions. The Audit Committee also oversees the Internal Audit function and is responsible for approving recommendations for internal audit improvements (see Section 7 for further detail on the Audit, Risk and Compliance Committee).

3.7. Nomination and Remuneration Committee
(Art. 59, Decision 3/2020)

The NRC assists the Board in discharging its responsibilities in relation to qualifications, compensation, appointment and succession of the Company's directors and key management personnel. The Committee oversees the Company's nomination process for the Board of Directors and continuously monitors the independence of the independent members of the Board (see Section 8 for further detail on the Nomination and Remuneration Committee).

3.8 Finance Committee

The role of the Finance Committee is to assist the Board in monitoring and reviewing: a) the economics and financial returns of investments and commitments, b) debt and equity financing transactions; and c) financial risk management programs of the Company *(see Section 9.1. for further detail on the Finance Committee).*

3.9 Projects Committee

The role of the Projects Committee is to assist the Board and management in the successful tendering and execution of projects, management of project related contracts, procurement processes, health/safety and the environment, or any other matter that may be critical for the efficient, safe and reliable operation of the Company's projects and existing assets *(see Section 9.2. for further detail on the Projects Committee).*

3.10. Internal Audit
(Art. 66, 67 and 68, Decision 3/2020)

Tabreed's Internal Audit function is maintained by the Board with certain responsibilities delegated to the ARC Committee. Internal Audit provides independent, objective and authoritative advice as well as assurance over the Internal Audit environment to the Board, ARC Committee and management, to assist them in discharging their functions and duties conferred and imposed on them.

The Board ensures that the internal audit is effective by reviewing the work of the ARC Committee, effectively dealing with risk and control issues at Board meetings and requiring that risk and internal audit issues are discussed at each Board meeting. The Board also ensures that an internal audit review is conducted by the Internal Audit function each year (See Section 11 for further detail on the Internal Audit function).

3.11. External Auditor
(Art. 70-73, Decision 3/2020)

On the recommendation of the ARC Committee, the Board appointed Ernst & Young ("EY") as Tabreed's external auditor for the financial year 2024 at the AGA held on 19 March 2024. The Board ensures that the external auditor remains independent from the Company. The external auditor has broad powers to provide reports to the General Assembly Meeting and to regulatory bodies (see Section 6 for further detail on the External Auditor).

3.12. Delegation to Management
(Art.14, Decision 3/2020)

The Board provides guidance and direction to Tabreed’s management towards achieving the strategic objectives of Tabreed.

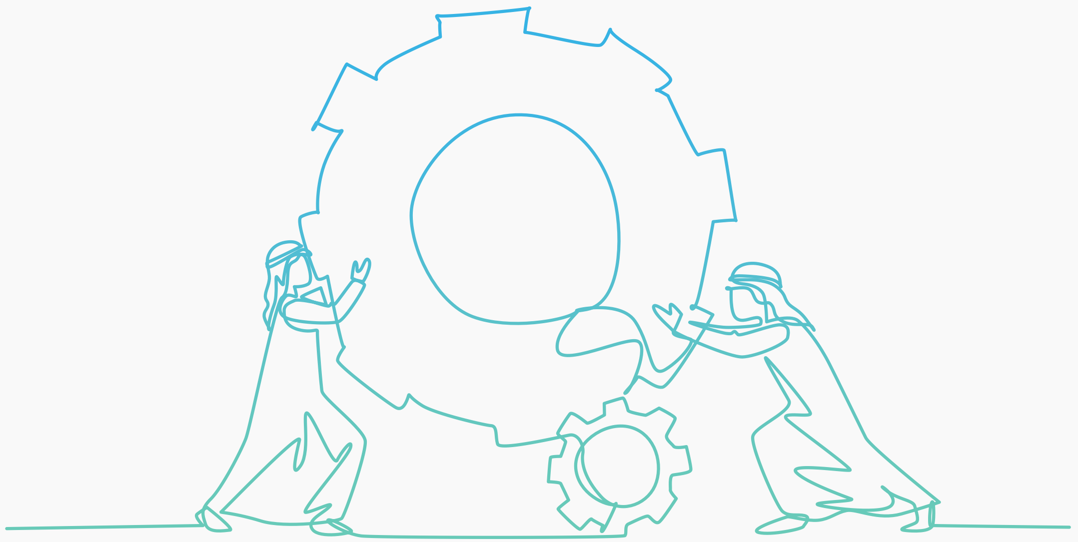
The Board is responsible for the direction and oversight of the Company on behalf of the shareholders. The day to day activities of Tabreed are delegated to management through the Board approved Delegation of Authority as amended and approved by the Board on 5 June 2024. The Delegation of Authority will be reviewed at least every 2 years. The Delegation of Authority delegates authority from the Board to executive management to execute certain:

- Contractual or other commitments;
- Expenditure, purchases; and
- Investments,

in each case below a specified maximum limit amount (in AED), beyond which approval of the Board is required. To give effect to the Delegation of Authority, the Board has granted a general Power of Attorney to the Chief Executive Officer, subject to the abovementioned maximum limit amount and which shall remain in force for the same duration at the Delegation of Authority. Other than the above Delegation of Authority there are no other standing delegations of authority from the Board of Directors to the management of the Company. All other powers, authorities and responsibilities in respect of the management of the Company are vested in the Board in accordance with the AoA, subject to those matters reserved under such AoA and/or applicable laws and regulations for the exclusive decision by the shareholders of the Company at the General Assembly of the Company.

The Board also provides guidance and direction to management through the following mandates that are regularly reviewed by the Board:

- The five-year business plan;
- Tabreed’s policies;
- Key performance indicators; and
- Regular reporting against performance targets.



3.13 Shareholders' Rights
(Art. 48, 49, 50 and 51, Decision 3/2020)

- The Board is committed to maintaining the highest standards in relation to recognition of shareholders' rights. This commitment is outlined in the Charter of the Board of Directors. To that end, Tabreed maintains an appropriately resourced investor relations function to communicate with shareholders and also engages the DFM and First Abu Dhabi Bank ("FAB") to assist with shareholders' matters related to annual general assembly and dividend distribution.

- The purpose of the investor relations function is to ensure that shareholders are kept informed of the Company's financial and operational performance and outlook and have access to financial disclosures and relevant information, that shareholders are notified of and attend General Assembly meetings, and that dividend payments, when approved, are distributed to each shareholder on a timely basis in coordination with the DFM and FAB.

- The AoA sets out the shareholders' rights to information, voting, participation at meetings and information on candidates for Board positions.

3.14 Code of Conduct
(Art. 52, Decision 3/2020)

- The manner in which the Company expects the Board, its employees, the auditors and the persons to whom specific duties are assigned to behave with respect to each other, the law, customers, suppliers, stakeholders and the community is articulated in the Tabreed Code of Conduct.

4. BOARD MEMBER TRANSACTIONS

The Company's Market Conduct and Trading Policy has rules governing the dealings by the Board members and their close family in Tabreed's securities. A fundamental restriction in place is that no Board member or Tabreed employee is allowed to trade in Tabreed securities during a blackout period. Blackouts occur over the periods when sensitive information is being developed or considered. The table below outlines the Board members' (and their immediate relatives') shareholdings and share transactions during 2024:

Name	Position	Total shares held as of 31/12/2024 / During Membership	Total shares bought	Total shares sold
Dr. Bakheet Al Katheeri	Chairman	0	0	0
Khaled Abdulla Al Qubaisi	Chairman until Aug. 2024	0	0	0
Paulo Almirante	Vice-Chairman	0	0	0
Saeed Ali Al Dhaheri	Board Member	5,812,830	0	0
Ali Khalfan Al Dhaheri	Family Member	20,391,240	0	0
Maryam Saeed Ali Shamsi	Family Member	19,190,400	3,803,200	0
Musabbeh Al Kaabi	Board Member	0	0	0
Pierre Cheyron	Board Member	0	0	0
Geert Bunkens	Board Member	0	0	0
Dr. Mansoor Al Hamed	Board Member	0	0	0
Dr. Alyazia Al Kuwaiti	Board Member	0	0	0
Marion Deridder Blondel	Board Member	0	0	0
Claire Bechaux	Board Member until Feb. 2024	0	0	0

5. FORMATION OF THE BOARD

5.1. Board Composition

The following table outlines details of each Board member holding office during 2024 in terms of independence, executive position and term of office.

Name	Position	Year of Appointment	Executive	Independent
Khaled Abdulla Al Qubaisi	Chairman	2009 till August 2024	X	X
Dr. Bakheet Al Katheeri*	Chairman	2022 (Chairman from August 2024)	X	✓
Paulo Almirante*	Vice Chairman	2017	X	✓
Dr. Alyazia Ali Al Kuwaiti*	Member	2023	X	✓
Musabbeh Al Kaabi*	Member	2021	X	✓
Pierre Cheyron*	Member	2021	X	✓
Marion Deridder Blondel*	Member	From February 2024	X	✓
Claire Bechaux*	Member	2022 till February 2024	X	✓
Geert Bunkens*	Member	2023	X	✓
Dr. Mansoor Al Hamed*	Member	From August 2024	X	✓
Saeed Ali Al Dhaheri	Member	2017	X	✓

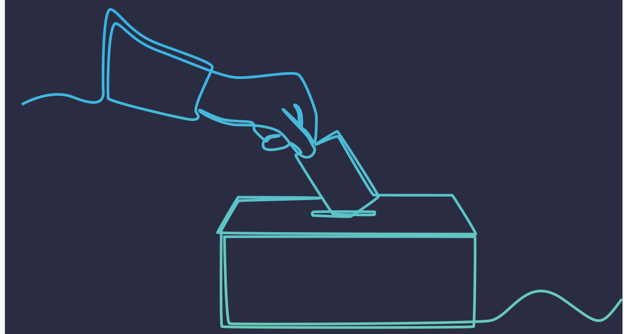
During 2024, the Tabreed Board of Directors had two female members duly appointed by the shareholders, Dr. Alyazia Ali Al Kuwaiti and Marion Deridder Blondel.

*During last Board election in 2023, before issuance of SCA Resolution amendment 2/2024 to SCA Res 3/2020, all Board members were qualified as independent for their term, except for Khaled Al Qubaisi. The independence criteria to the Board members as prescribed by the SCA Res 3/2020 will be applied to Tabreed Board members at their next election cycle planned for March 2026.

5.2. ELECTIONS AND TERMS OF OFFICE

- The General Assembly has the competence to elect and remove the members of the Board. In accordance with the AoA, the term of each Board member is three years. The Board members are elected by secret ballot. The Board of Directors elects the members of each of the Board committees and designates its Chairman.
- On 8 August 2024, Khaled Al Qubaisi resigned from the Board as the Chairman and as a Board member and subsequently was replaced by Dr. Mansoor Al Hamed as a Board member to complete the term of his predecessor. Dr. Bakheet Al Katheeri was designated as the new Chairman of the Board.
- As per the Commercial Companies Law and Decision 3/2020 when a Board member resigns from his/her position, the Board of Directors appoints a member for the vacant position and such appointment shall be presented to the next General Assembly to approve such appointment or appoint another person. Accordingly, the appointment of Dr. Mansoor Al Hamed will be formally ratified at the next General Assembly to be held in March 2025.

The next Board Election is scheduled for 2026, where shareholders will appoint a new Board.



5.3. Board Remuneration

The AGA may after setting aside 10% for the statutory reserve from the net profit of the Company, and the shareholder dividend of a maximum of 10% of the capital, approve a percentage of up to 10% of the net profits to remunerate the Board of Directors.

Remuneration paid to the Board members, in aggregate, in 2024 and recommended to be paid in 2025, are as follows:

Sitting Fees and Remuneration	AED
Remuneration for 2023 paid in 2024 after approval at last AGA	8,550,000
Board and Committees sitting fees for 2024 recommended for payment in 2025	0
Remuneration recommended for 2024 to be paid in 2025 after approval at next AGA	8,550,000

Other than the remuneration recommended to be paid in 2025 and referred to above, no other allowances, salaries or additional fees are to be paid to any Board member by Tabreed for 2024.

5.4. Board Meetings in 2024

The Board held 5 meetings in 2024 on the dates set out below:

- 14 February;
- 14 May;
- 9 September;
- 19 November;
- 5 December

Meeting Date	Number of Attendees out of 9	Absence or proxy attendance
14 February	9	None
14 May	9	None
9 September	9	None
19 November	9	None
5 December	9	None

The Tabreed Board held three meetings through circular resolutions during 2024 on:

- 9 February appointing Marion Deridder Blondel as a new member of the Board in replacement of Claire Béchaux;
- 8 August (i) approving the unaudited financial report for the period ended 30 June 2024; (ii) appointing Dr. Mansoor Al Hamed as a new member of the Board in replacement of Khaled Al Qubaisi the Chairman of the board; and (iii) designation of Bakheet Al Katheeri as the new Chairman; and
- 14 November approving the unaudited financial report for the period ended 30 September 2024

In December 2024 the Board of Directors completed a board self-assessment questionnaire conducted by the Chairman with the support of the Company Secretary, with results presented back to the Board in the first quarter of 2025.

The Board also attended a Board briefing session delivered by Hawkamah in line with regulatory requirements to refresh knowledge and gain additional insights on best practices and recent developments as they relate to Board activity and their duties to act in the best interests of the company and its stakeholders.

5.5. Board Terms of Reference

In line with good practice and governance, the Board provides strategic direction to the management team. The Board provides this direction by working with management to establish:

1. The appointment of the Chief Executive Officer and key executives;
2. Board approved Delegation of Authority setting out the levels of approvals required by the Board;
3. Board approved strategic plans – with the growth, revenue and profit targets required by the Board and a reporting mechanism to feedback results;
4. A strong risk management and internal audit environment;
5. The integrity of financial reporting;
6. Proper disclosure and communication with shareholders; and
7. A highly qualified and experienced senior management team.

Each element noted above contributes towards a balanced and effective internal control mechanism over Tabreed's activities which are, in turn, capable of being effectively monitored by the Board.

5.6. Executive Management

- The Tabreed Corporate Governance Procedures Manual and the Board approved Delegation of Authority clearly outline the role that the Board requires from Tabreed's management. Management's primary responsibilities cover the oversight of the day-to-day operations of Tabreed's business, strategic planning, budgeting, financial reporting and risk management.
- Executive management consists of six Chief Officers. These positions together with other management positions, the incumbents, dates of appointment and remuneration received (or accrued) in 2024 (in AED) are outlined below, followed by an Organization Chart in section 5.8.

Position	Fulfilled By	Appointment	Salary & Allowances (AED)	Bonus (AED)	Long-term Incentive Plan (AED)
Chief Executive Officer	Khalid Al Marzooqi	2021	3,238,535	2,353,400	311,446
Chief Financial Officer	Adel Salem Al Wahedi	2020	2,711,405	1,467,700	152,027
Chief Legal Counsel	Nadia Bardawil	2023	1,460,088	487,400	-
Chief Operating Officer	Antonio Di Cecca	2022	1,450,604	876,000	113,400
Chief Development Officer	Philippe Coquelle	2023	1,340,218	431,000	-
Chief Asset Management Officer	Dr. Yousif Al Hammadi	2022	2,403,260	1,107,000	162,042
Vice President - Human Capital	Sarah Mohamed Ahmed Al Bakeri	2020 till April 2024	232,365	419,200	58,539
Vice President - Human Capital	Dalal Salem Al Yafei	From April 2024	964,847	136,300	-
Vice President - Internal Audit*	Mousa Sajwani	2020	1,557,756	318,600	57,751
Vice President - Strategic Communications	Maha Sallam	2022	1,325,995	243,300	-
Vice President - Strategy and PMO	Mohammed AlSele	2021	1,046,046	243,000	44,491

*Syed Aley is Acting VP Internal Audit while VP Internal Audit is on military service

5.7. Related party transactions

Tabreed was not a party to any related party transactions during 2024 based on the definition of "Related Parties" set out in Decision 3/2020. Tabreed did not enter into any related party transactions in 2024 which exceeded the value of 5% of the capital of the Company.

5.8 ORGANIZATIONAL STRUCTURE 2024

Board of Directors

Audit, Risk & Compliance Committee

Khalid Al Marzooqi
Chief Executive Officer

Adel Al Wahedi
Chief Financial Officer

- **Mohamed Habib** – **Vice President**, Supply Management
- **Saeed Al Maeeni** – **Vice President**, Information Technology
- **Salik Malik** – **Vice President**, Finance

Maha Sallam
Vice President
Strategic Communications

Antonio Di Cecca
Chief Operating Officer

- **Atef Al Breiki** – **Senior Vice President**, Operations
- **Derar Al Tamimi** – **General Manger**, Tabreed Energy Services
- **Irshad Hussain** – **Vice President**, Projects
- **Abdulla Anees Al Hashemi** – **Vice President**, HSEQ

Mohammad AlSele
Vice President
Strategy & PMO

Philippe Coquelle
Chief Development Officer

- **Mayur Nikam** – **Vice President**, Business Development Middle East
- **Mahmoud Morsy** – **Senior Manager**, Business Development Egypt
- **Sudheer Perla** – **Managing Director**, Tabreed Asia
- **Colin Sangster** – **Senior Vice President**, Business Development International

Dalal Salem Al Yafei
Vice President
Human Capital

Dr. Yousif Al Hammadi
Chief Asset Management Officer

- **Hannah Al Bustani** – **Vice President**, Asset Management

Nadia Bardawil
Chief Legal Counsel

- **Sean Magee** – **Legal Advisor General**

Mousa Sajwani
Vice President
Internal Audit

Syed Aley
Acting Vice President
Internal Audit

UAE National

6. EXTERNAL AUDITOR

Ernst & Young ("EY") were appointed as External Auditors for Tabreed at the Annual General Assembly on 19 March 2024 for a one-year term. Tabreed selected EY as the successful applicant pursuant to a competitive tender process issued by Tabreed in 2021 in respect of the auditing services mandate. Three major audit firms participated in the competitive process.

The E&Y Abu Dhabi office was opened in 1966 and has over 280 professionals, including six resident partners. E&Y are a leading practice offering a wide range of services, including Audit, Business Advisory Services, Business Community Training, International Taxation, Business Risk Services/Internal Audit and Technology & Security Risk Services to a client base including conventional and Islamic banks and financial institutions, oil and gas majors, utilities and manufacturing firms from both the government and private sector.

The scope of the audit for the 2024 financial year, as outlined in their engagement plan, was to:

- Provide an audit opinion on the annual consolidated financial statements in accordance with International Financial Reporting Standards;
- Provide an audit opinion on the financial statements of all subsidiaries and associates of Tabreed in accordance with International Financial Reporting Standards; and
- Provide a review of quarterly interim condensed consolidated financial statements in accordance with International Accounting Standard (IAS) 34.

The following table outlines the audit annual and quarterly related fees for Tabreed group companies for 2024:

External Auditor	EY
Number of Years as External Auditor	3
Total audit fees for 2024	AED 1,222,600
Number of years the Partner of the External Auditor audited the Company	3
Fees for additional work in 2024	AED 435,000
Nature of additional work	Regulatory compliance
Audit fees for additional work done in 2024 by auditors other than those appointed by Tabreed	Nil
Name of partner auditor	Raed Ahmed (registered auditor number 811)

Tabreed's external auditors did not make any qualified opinion for the interim and annual financial statements for 2024

7. AUDIT, RISK AND COMPLIANCE COMMITTEE

The role of the Audit Committee is outlined in the Board approved Charter of the Audit Risk & Compliance (ARC) Committee and includes:

- Providing advice to the Board on the contracting of an External Auditor and ensuring that the External Auditor fulfils its contractual and professional obligations
- Reviewing and endorsing the quarterly and annual accounts after consideration of accounting policies and standards, assumptions and judgements, compliance with laws and any significant or unusual matters;
- Continually assessing the systems for internal audit and risk management;
- Considering the findings of the external Auditor and making recommendations on those findings;
- Developing procedures which allow employees to raise matters of concern regarding internal audit or financial reports; and
- Reporting to the Board on activities of the ARC Committee.

The ARC Committee also oversees the company's risk and compliance aspects as follows:

Risk:

- Evaluates the effectiveness of the company's risk management system and the mechanisms for identifying and monitoring potential risks, highlighting areas of both strength and potential improvement
- Reviews quarterly reports on the implementation of risk management controls, strategic risks, mitigation strategies, and action plans to ensure their adequacy, and, where necessary, provides recommendations for Board consideration.
- Advises management on enhancing risk management practices, assists in addressing specific risks, and ensures the availability of qualified personnel, adequate resources, and robust systems for effective risk management.

Compliance:

- Review the effectiveness of the system for monitoring compliance with applicable laws, regulation and agreements and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance; and
- Ensure the compliance of the Company with listing and disclosure rules and other legal requirements related to financial reporting;

The following table outlines the membership of the ARC Committee during 2024:

Member	Role	Term	Status
Geert Bunkens	Chairman	From Jan to Dec	Independent, Non-Executive
Dr. Alyazia Al Kuwaiti	Member	From Jan to Dec	Independent, Non-Executive
Saeed Ali Al Dhaheri	Member	From Jan to Dec	Independent, Non-Executive

Geert Bunkens in his capacity as Chairman of the ARC Committee during 2024, acknowledged his responsibility for the ARC Committee system in Tabreed, review of its working mechanisms and ensuring its effectiveness.

The ARC Committee met 6 times, on the following dates, during 2024:

- 13 February;
- 6 May;
- 13 May;
- 5 August;
- 3 September; and
- 13 November.

The following table shows the attendance of each member for 2024:

Member	Meetings invited to	Attendance in person	Proxy attendance
Geert Bunkens	6	6	
Dr. Alyazia Al Kuwaiti	6	5	Apology
Saeed Ali Al Dhaheri	6	6	-

Note: Committee members did not receive any fees for attending the meetings that serve the committee of which they are members.

7.1 AUDIT, RISK AND COMPLIANCE COMMITTEE REPORT

Geert Bunkens

Chair of the Audit, Risk and Compliance Committee

Dear Shareholders,

I am pleased to present our Audit, Risk and Compliance Committee (the "ARCC") Report for 2024.

I would like to thank Saeed Ali Khalfan Al Dhaheri and Dr Alyazia Al Kuwaiti for their contribution as a committee member since 2023.

The ARCC assists the Board in fulfilling its independent oversight responsibilities in areas outlined in the Board approved Charter, such as the integrity of financial reporting, the effectiveness of risk management and internal controls, as well as the consideration of ethics and compliance matters. We are responsible for assessing the quality of the audit performed by, and the independence and objectivity of, the External Auditor. The ARCC also makes a recommendation to the Board regarding the appointment or re-appointment of the External Auditor. In addition, we oversee the work and quality of the internal audit function. During the year, the ARCC's core duties remained largely unchanged, and our usual cadence of activities remained in place. However, in recognition of the ARCC's increased focus on risk management and to formalize our role in assisting the Board in this area, our Terms of Reference/Charter were refreshed by incorporating amendments to Corporate Governance guidelines announced by Securities and Commodities Authority in early 2024 and ratified in Board meeting held in February 2025.

Our work program over the course of a year focuses on a variety of matters that involve a high degree of judgement and/or are significant to Tabreed's consolidated financial statements. We review with management the sources of estimation uncertainty and other key assumptions against the backdrop of economic and market uncertainty and volatility and evolving stakeholder expectations. In addition, we consider the robustness of the risk and internal control framework, results of internal control testing throughout the year, and remediation activities.

In 2024, the Board and ARCC laid special emphasis on developing, defining and approving the appropriate internal control and risk management framework for Tabreed’s work in line with global practices (COSO Framework) and ensuring its implementation. In this regard, we received briefings from the Internal Audit on the effectiveness of Tabreed's internal control system and on the outcomes of significant audits and notable control matters. Furthermore, the ARCC also held discussions with the external auditor on the effectiveness of the established internal control and risk management systems.

The ARCC has also taken an increasingly comprehensive approach to risk, integrating as much as possible the discussion on risk management, regulatory compliance and internal audit.

As part of its oversight of compliance with applicable legal and regulatory requirements, including monitoring ethics and compliance risks, ARCC discussed with the Chief Legal Counsel Officer activities undertaken in the ethics and compliance program related to compliance with laws and regulations, and steps taken to manage those risks.

The external audit tender process for re-appointment also commenced in 2024 and will be completed in Q1 2025 as set out later in this report.

Looking ahead to 2025, the Committee’s key priorities will include maintaining oversight of Tabreed’s risk management and internal control processes, sustaining a strong culture of corporate governance and risk management across the entity, continuing to monitor the impact of economic changes on Company’s assumptions, as well as sustainable finance.

7.1 AUDIT, RISK AND COMPLIANCE COMMITTEE REPORT

Composition and Terms of Reference

In line with Article 60, 61 and 62 of Corporate Governance Guide Decision 3/2020 of Securities and Commodities Authority (SCA), the composition of the Audit, Risk and Compliance Committee (ARCC) is as follows:

Chair
Geert Bunkens
Independent Non-Executive Director

Members
Saeed Ali Khalfan Al Dhaheri
Independent Non-Executive Director

Dr. Alyazia Al Kuwaiti
Independent Non-Executive Director

No alternate Directors were appointed as members of the ARCC.

Geert Bunkens has, inter alia, extensive experience in financial planning, mergers and acquisitions and leadership roles. All ARCC members are financially literate, independent Non-executive Directors.

The ARCC, therefore, meets the requirement of Article 60 of SCA Governance rules, which requires at least one (1) member of the ARCC to have prior work experience in accounting or financial affairs and all members must have knowledge and expertise in financial and accounting matters. The Company's website contains more detailed information on the members of the Committee and their biographies are set out in the Board of Directors section of this Integrated Annual Report.

During the financial year ended 31 December 2023, Geert Bunkens was appointed as Chair of the ARCC effective from October 2023 in place of Pierre Cheyron who relinquished his Chair.

The Board of Directors (the Board) annually reviews the performance of the ARCC and its members through an effective evaluation exercise. In early 2025, the Board assessed the ARCC’s performance for the financial year ended 31 December 2024 and was satisfied that the ARCC and its members have performed their functions, duties and responsibilities in accordance with the ARCC’s Charter.

The role of the Audit Committee is outlined in the Board approved Charter of the Audit Committee (Feb 2025) and includes:

- Providing advice to the Board on the contracting of an External Auditor, ensuring that the External Auditor fulfils its independence, contractual, and professional obligations; and considering the findings of the external Auditor and making recommendations on those findings.
- Reviewing and endorsing the quarterly and annual accounts after consideration of accounting policies and standards, assumptions and judgements, compliance with laws and any significant or unusual matters.
- Continually assessing the systems for internal audit and risk management and implementing procedures which allow employees to raise matters of concern regarding internal audit or financial reports, and reporting to the Board on activities of the ARC Committee.
- Evaluates effectiveness of company's risk management system and internal control mechanisms for identifying and monitoring risks, highlighting areas of both strength and improvement while reviewing quarterly reports on the implementation of risk management controls, strategic risks, mitigation strategies, and corrective action plans to ensure their adequacy, and, where necessary, provides recommendations for Board consideration.
- Review the effectiveness of the system for monitoring compliance with applicable laws, regulation and agreements and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance; and ensure the compliance of the Company with listing and disclosure rules and other legal requirements related to financial reporting and related-parties’ transactions.

7.1 AUDIT, RISK AND COMPLIANCE COMMITTEE REPORT

The ARC Committee met 6 times, on the following dates, during 2024:

- 13 February;
- 6 May;
- 13 May;
- 5 August;
- 3 September; and
- 13 November.

The following table shows the attendance of each member for 2024:

Member	Member since	Meetings invited to	Attendance in person	Proxy attendance
Geert Bunkens	2023	6	6	
Dr Alyazia Al Kuwaiti	2023	6	5	Apology
Saeed Ali Al Dhaheri	2017	6	6	-

The Chief Executive Officer, Chief Financial Officer, Chief Legal Counsel, VP Internal Audit, Chief Operating Officer, Chief Development Officer, VP Finance, VP SPMO and Board/Committee Secretary attended ARCC meetings by invitation to provide their input, advice and clarification to relevant items on the agenda. The attendance of other Management team members was by invitation as well, depending on the matters that were discussed. The external auditors were also invited to the ARCC meetings to present their annual audit plan and discuss the quarterly unaudited financial results and annual audited financial statements, as well as other matters deemed relevant.

All deliberations during the ARCC meetings, including the issues tabled and rationale adopted for decisions were properly recorded. Minutes of the ARCC meetings were tabled for confirmation at the following meeting and subsequently presented to the Board for notation. The Chair of the ARCC reported to the Board on the activities and significant matters discussed at each ARCC meeting.

SUMMARY OF KEY ACTIVITIES OF THE ARCC

During the year under review, the ARCC carried out the following activities:

Enterprise Risk Management and Internal Control

- Discussed overall approach to enterprise risk management and internal control, including compliance, tax, information risks, and disclosure controls.
- Monitored and reviewed Tabreed’s top 10 risks quarterly, including emerging risks arising from global events.
- Endorsing updates to ERM Policy, Framework, & Risk Appetite thresholds; and Fraud Risk Management process, including assigning roles and timelines for Fraud Risk Management activities.
- Reviewed Cybersecurity risk assessments amid global risks and evolving regulations.
- Evaluated effectiveness of YR-2024 internal controls based on audit findings, management discussions, and the adequacy of risk management systems, aligned with Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework 2013 and SCA/ADAA guidelines – through independent continuous control assessments conducted by Internal Audit Department.

Compliance

- Monitored the 2024 Compliance Plan and approved the 2025 Plan. The Chief Legal Counsel (CLC) regularly updated ARCC on activities reinforcing Tabreed's commitment to Ethics and Compliance. Monitored internal misconduct cases, reviewed ongoing investigations, and directed Management to enhance controls to prevent recurrence.
- Reviewed regulatory updates on SCA and Abu Dhabi Accountability Authority (ADAA) compliance, and progress on ARCC Charter revisions to align with new SCA guidelines.
- Provided oversight to a Project Excellence initiative, aiming to continuously develop and update Tabreed’s policies, further strengthening Tabreed's regulatory framework compliance, aligning policies with best practices, and ensuring robust governance and operational excellence, while fostering a culture of improvement and accountability.
- The Board Secretary facilitated ARCC's annual performance evaluation, which concluded on a positive note, affirming that the ARCC operates with exceptional standards and professionalism.

7.1 AUDIT, RISK AND COMPLIANCE COMMITTEE REPORT

Internal Audit (“IA”)

The Internal Audit (“IA”) function is guided by its Charter, Strategy, and Manual, aligning with the Institute of Internal Auditors Standards and undergoing regular internal and external quality assessments. The department, led by VP - Mousa Sajwani (Syed Aley serving as Acting VP since Oct-2024), consists of five (5) members and reports functionally to the ARCC for objectivity and independence.

- Approved the annual IA risk assessment report, used as a basis for developing the audit universe and 3-year audit plan. Provided inputs and endorsed the risk-based 2025-27 Internal Audit Plan for Board approval, ensuring appropriate coverage of Tabreed Group. 14 internal audit assignment activities are scheduled for 2025.
- Monitored progress of the 2024 Internal Audit Plan on a quarterly basis, approved adjustments due to changes in business and/or risk environment, and obtained assurance on the soundness of internal controls through discussions with VP-IA.
- Reviewed audit reports, discussed significant issues (high- & medium-risk) and management responses to ensure timely remediation of potential risks/process improvements identified, while monitoring the implementation of corrective actions for outstanding audit findings, guiding management to prioritize closures.
- Annually evaluate IA function’s KPIs, effectiveness, resources, and costs.
- Reviewed and approved the Internal Audit Strategy and Manual, ensuring alignment with applicable regulatory standards.

In 2024, the IA department executed a total of 13 assurance & advisory reviews. The reviews covered business priority and key risk areas, focusing on the efficiency and effectiveness of governance and controls across business functions, operations and corporate processes inclusive-of subsidiaries and regulatory internal audit reporting.

External Audit

- The 2022 Annual General Assembly (AGA) had appointed Ernst & Young (EY) as External Auditors for 2022-2024, with their re-appointment and fees approved by shareholders in March 2024.

In Year 2024, ARCC reviewed, endorsed and proposed to the Board in line with applicable SCA and ADAA standards and regulations:

- Fees for EY’s audit and non-audit services for the year ending 31 December 2024.
- Assessed EY’s effectiveness and performance based on applicable SCA & ADAA guidelines, especially ADAA Resolution 88 of 2021.
- Reviewed EY’s 2024 audit plan and written confirmation on their independence.
- Oversight of 2024 tendering process for external audit services and directed mandatory rotation of engagement partner after 3 consecutive years, with a recommendation to Board to re-appoint EY for a three-year term commencing from 2025 (subject to shareholder approval in AGA), in line with applicable regulatory guidelines.
- Reviewed EY’s procedures, preliminary findings, and management’s responses to the Management Letter, ensuring appropriate actions were taken.
- Monitored quarterly non-audit services and fees, ensuring EY’s independence, with disclosures in the financial statements.

In lieu of above, ARCC is satisfied with EY’s quality, objectivity, and effectiveness in its third year as the company auditor.

Financial Reporting

Reviewed and endorsed Tabreed’s unaudited quarterly financial results, audited annual financial statements, and related announcements before recommending them for Board approval. Key activities included:

- Assurance from External Auditor report that the annual / interim financial statements are prepared in accordance with International Accounting Standards (IAS).
- Deliberated on significant audit and accounting matters such as management’s estimates and judgments, going concern assessment, materiality thresholds, and disclosure sufficiency, as disclosed in notes of the Annual Financial Statements.
- Reviewed compliance with internal accounting policies and IFRS, with focus on significant financial matters such as UAE Corporate Income Tax, loan reclassification, net current liabilities, revenue recognition, provisions, contingent balances, and Sukuk buyback.

7.1 AUDIT, RISK AND COMPLIANCE COMMITTEE REPORT

- Endorsed Income statement, Financials position and Cash flow impact presented by Finance team and 'external auditors report on annual/interim financial statements' in quarterly meetings.
- Discussed assessments of corporate objectives, forecasts, and any deviations.
- Reviewed legal and tax matters impacting financial statements preparation.
- Reviewed the external auditor's report on Internal Controls Over Financial Reporting (ICFR) for 2022-2023.
- Assessed significant accounting and reporting areas for 2024 consolidated financial statements, with input from management, internal, and external auditors and their redressal plan..

Related Party Transactions

- Reviewed the annual mandate for related party transactions, including disclosures in notes of the financial statements and compliance section.
- Reviewed update by Legal/Compliance team confirming no related party transactions in financial year 2024 that exceeded 5% of the company's capital in 2024, per SCA requirements.

Other Activities

- Mr. Geert Bunkens, Chair of the ARC Committee, will report to the AGA meeting in March 2025 on the Committee's activities in 2024 and up-to the AGA date.

Conclusion:

- ARC Committee confirms its full compliance with its Charter.
- At its meeting on 12 February 2025, the ARC Committee reviewed the draft Annual Report & Accounts 2024 and advised the Board that it was fair, balanced, and understandable, providing the necessary information for shareholders to assess the Group's position, performance, business model, and strategy.
- As Chair, I will remain available to engage with shareholders on the external audit scope and other key Audit Committee matters and will be present at the 2025 AGA to answer questions.

The Audit Risk and Compliance Committee of Tabreed i.e., National Central Cooling Company PJSC (the "Company") has prepared this report, in full accordance with the applicable laws and regulations including the information required by Securities and Commodities Authority (SCA) Decision 3/RM/2020 regarding Governance Guide of Public Joint Stock Companies. The report include, in particular, the matters stated in Article 61(bis) of SCA Regulations, as amended by Decision 2/RM/2024, effective from January 2024.

This report has been issued in accordance with the endorsement by ARC Committee, as mandated by the Board and will be part of Integrated Annual Report 2024 and available to shareholders, investors and other interested parties on the Company website (www.tabreed.ae) as from the call of the next ordinary Annual General Shareholders' Meeting.

8. NOMINATION AND REMUNERATION COMMITTEE

The role of the Nomination & Remuneration Committee (NRC) is to assist the Board in the efficient management of compensation and general human capital management. The key responsibilities of the NRC are outlined in the Board-approved Charter of the NRC and include:

- Verifying the ongoing independence of the independent members of the Board;
- Regulating and overseeing nomination to the membership of the Board;
- Setting and reviewing Tabreed's human capitals policies and procedures;
- Formulating and reviewing, on an annual basis, the framework and broad policy for granting remuneration, terms of employment and any changes, benefits, bonuses, pensions, allowances, gratuities, early retirement and redundancy made to or given to Tabreed's employees, senior management, as well as compensation for Tabreed's Chairman and Board of Directors;
- Ensuring that suitable succession plans are in place at senior executive levels; and
- Reviewing and approving the hiring and termination of senior management staff.

The following table outlines the membership of the NRC during 2024:

Member	Role Term	Term	Status
Dr. Bakheet Al Katheeri	Chairman	From Jan to Aug	Independent, Non-Executive
Dr. Alyazia Al Kuwaiti	Chairwoman	From Aug to Dec	Independent, Non-Executive
Dr. Alyazia Al Kuwaiti	Member	From Jan to Aug	Independent, Non-Executive
Pierre Cheyron	Member	From Jan to Dec	Independent, Non-Executive
Mansoor Al Hamed	Member	From Aug to Dec	Independent, Non-Executive
Saeed Al Dhaheri	Member	From Aug to Dec	Independent, Non-Executive

Dr. Bakheet Al Katheeri succeeded by Dr. Alyazia Al Kuwaiti, each in their capacity as Chair of the NRC, acknowledged their responsibility for the NRC system in Tabreed, review of its working mechanisms and ensuring its effectiveness.

The NRC met 4 times, on the following dates during 2024:

- 18 January;
- 06 February;
- 12 July; and
- 7 November.

The following table shows the attendance of each member for the period in which they were elected to the NRC:

Member	Meetings invited to	Attendance in person	Proxy attendance
Dr. Bakheet Al Katheeri	3	2	1
Dr. Alyazia Al Kuwaiti	4	4	-
Pierre Cheyron	4	3	1
Mansoor Al Hamed	1	1	-
Saeed Al Dhaheri	1	1	-

Note: Committee members did not receive any fees for attending the meetings that serve the committee of which they are members

9. OTHER COMMITTEES APPROVED BY THE BOARD

9.1 Finance Committee

The duties of the Finance Committee are outlined below:

- review and endorse the Company's five-year business plans, annual budgets and capital plans, including providing input into performance targets for management;
- review and endorse all investments and commitments in excess of the authority delegated to the Chief Executive Officer;
- track and monitor company financial performance and financial health including providing input into performance reviews for the Company;
- review the financial funding plan of the Company to ensure its adequacy and soundness in providing for the Company's operational and capital requirements, and recommend to the Board, changes in capital structure as need be, including review of the Company's debt and equity structure;
- review and make recommendations concerning the Company's dividend policy;
- review proposed major financing activities;
- review the investment strategies for the Company's cash balances; and
- review, monitor and recommend action on financial risk management including hedging of currency, commodity price and interest rate risk.

The following table outlines the membership of the Finance Committee during 2024:

Member	Role	Term	Status
Dr. Bakheet Al Katheeri	Chairman	From Jan to Aug	Independent, Non-Executive
Dr. Mansoor Al Hamed	Chairman	From Aug to Dec	Independent, Non-Executive
Pierre Cheyron	Member	From Jan to Dec	Independent, Non-Executive
Saeed Ali Al Dhaheri	Member	From Jan to Dec	Independent, Non-Executive

Dr. Bakheet Al Katheeri succeeded by Mansoor Al Hamed in his capacity as Chairman of the Finance Committee, acknowledged their responsibility for the Finance Committee system in Tabreed, review of its working mechanisms and ensuring its effectiveness.

The Finance Committee met 6 times, on the following dates, during 2024:

- 12 February;
- 9 May;
- 2 September;
- 14 November;
- 4 December; and
- 23 December.

The following table shows the attendance of each member for the period in which they were elected to the Finance Committee:

Member	Meetings invited to	Attendance in person	Proxy attendance
Dr. Bakheet Al Katheeri	2	1	1
Dr. Mansoor Al Hamed	4	4	-
Pierre Cheyron	6	6	-
Saeed Ali Al Dhaheri	6	6	-

Note: Committee members did not receive any fees for attending the meetings that serve the committee of which they are members.

9.2 The Projects Committee:

The duties of the Projects Committee are outlined below:

- review Tabreed's HSE performance and make recommendations as appropriate;
- review policies and procedures related to projects and procurement;
- review project ideas and conceptual studies;
- review new cooling technologies and related feasibility studies scope, conclusion and recommendations; and
- review the major delivery aspects of all new projects, including scope of work, execution strategies, selection of bidders, key project management items, material contractual activities, changes in regulations or new regulations, policies, guidelines and other developments legal framework which could have a material impact on the Company's performance.

The following table outlines the membership of the Projects Committee during 2024:

Member	Role	Term	Status
Pierre Cheyron	Chairman	From Jan to Dec	Independent, Non-Executive
Dr. Alyazia Al Kuwaiti	Member	From Jan to Aug	Independent, Non-Executive
Christophe Dedet	Member	From Jan to Dec	Independent, Non-Executive
Emad Goher	Member	From Aug to Dec	Independent, Non-Executive

Pierre Cheyron in his capacity as Chairman of the Projects Committee, acknowledged his responsibility for the Projects Committee system in Tabreed, review of its working mechanisms and ensuring its effectiveness.

The Projects Committee met 4 times on the following dates, during 2024:

- 12 February;
- 9 May;
- 2 September; and
- 12 December

The following table shows the attendance of each member for the period in which they were elected to the Finance Committee:

Member	Meetings invited to	Attendance in person	Proxy attendance
Pierre Cheyron	4	4	-
Dr. Alyazia Al Kuwaiti	2	2	-
Christophe Dedet	4	4	-
Emad Goher	2	2	-

Note: Committee members did not receive any fees for attending the meetings that serve the committee of which they are members.

9.3 Board of Directors and Committees Evaluation

Tabreed's Board of Directors undertook a board self-assessment evaluation on Board performance and skillsets conducted in compliance with regulatory requirements.

- **Evaluation Overview:** The self-evaluation questionnaire and Board skills audit were issued to Board Members in November 2024 to evaluate performance and skills, aiming to identify areas for improvement. The results were discussed with board at the February 2025 Board meeting.
- **Key Findings**: The evaluation results showed strong and consistent board performance, with effective operations, robust composition, and well-chaired meetings.
- **Audit Skill Matrix Findings**: The skills audit revealed strong technical proficiency in core business areas (finance, energy, and human resources). The Board is open to ongoing professional development particular in the areas of regulatory knowledge, ESG, and cybersecurity and regular reviews of board composition.
- **Committee Performance**: The Board is satisfied with the performance of its committees, in particular the Finance Committee.
- **Areas for Improvement**: The Board self assessed that in the year ahead they would further develop its know how by a scheduling a refresher board briefing on board governance principles.

10. INSIDER INFORMATION AND DEALINGS COMMITTEE

Pursuant to the requirements laid down in Decision 3/2020, Tabreed formed the Insider Information and Dealings Committee that regulates transactions and holdings of Tabreed shares by Board members and employees of Tabreed. The Insider Information and Dealings Policy was approved by the Board on 22 February 2017. Following approval by the Board of the policy, the Insider Information and Dealings Committee operated in accordance with the approved policy as revised from time to time.

The following table shows the Committee members during 2024:

Member	Date of appointment	Role
Nadia Bardawil	May 2023	Chairwoman
Mousa Sajwani	February 2020 till October 2024	Member
Syed Aley*	October 2024	Member
Salik Malik	April 2022	Member

*Syed Aley is Acting VP Internal Audit while Mousa Sajwani (VP Internal Audit) is on military service and therefore fulfilling role as a member of Insider Information and Dealings Committee

During 2024 the committee maintained insider lists for various price sensitive matters and operated in accordance with the Market Conduct and Securities Trading Policy and the Insider Information and Dealings Policy.

Nadia Bardawil in the capacity as Chair of the Insider Information and Dealings Committee acknowledged responsibility for the Insider Information and Dealings Committee system in Tabreed, review of its working mechanisms and ensuring its effectiveness for the year 2024.

Note: Committee members did not receive any fees for attending the meetings that serve the committee of which they are members.

11. INTERNAL AUDIT SYSTEM

Pursuant to Articles 14 & 67 of Decision 3/2020, Tabreed's Internal Audit Department has been established by the Board to provide independent, objective and authoritative advice as well as assurance over the internal audit environment to the Board, ARC Committee and management, to assist them in discharging their functions and duties. The Board of Directors acknowledges responsibility for regularly reviewing the effectiveness of the Internal Audit Department of the Company. The Internal Audit Department reports to the Board and operates under the stewardship of the ARC Committee. This enables the Internal Audit Department to operate in an independent and objective manner while evaluating and contributing to the improvement of the organization's governance, risk management, and control processes using a systematic, disciplined, and risk-based approach.

The scope of internal audit activities are well defined and implemented through approved IA Charter, IA Strategy & IA Manual in line with IIA Standards and include evaluation to ensure - Risks relating to the achievement of (Tabreed)'s strategic objectives are appropriately identified and managed; Compliance with company's policies, procedures, and applicable laws, regulations, and governance standards; Operations or programs are being carried out effectively and efficiently; Information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity; and Resources and assets are acquired economically, used efficiently, and protected adequately.

The designated Internal Audit Officer for 2024 was Mousa Sajwani who was appointed on 23 February 2020 reporting directly to the ARC Committee. Mousa is currently on a military service from October 7, 2024, till end of 2025 (during this while Syed Aley – Senior Manager will be acting as Vice President – Internal Audit on his behalf reporting to ARC Committee). Mousa has over 15 years of experience with an industry journey spanning across multiple industries such as Oil & Gas, Regulatory and Utilities with experience in all parts of the Finance division in addition to Asset Management experience. Syed is a seasoned MENA-region GRC professional with over 25 years of experience in various MNCs and Private / Listed Entities across multiple industries (O&G, Utilities, Defense, Shipping, Logistics & Agriculture sectors).

In line with SCA Articles 67 & 68, an annual internal audit was completed by the Internal Audit Department and reported to the ARC Committee and to the Board for 2024. In addition, the Internal Audit Department finalized and issued 12 audit reports to the ARC Committee/ Board including DFM Listing & SCA Regulatory Rules Audit; SCA-ARCC-Compliance Review; HSEQ Audit; Procure to Pay Audit; Cyber-Security Assessment (ITAR Activity); Finance (Fixed Assets) Audit; Oman Finance Audit; Bahrain Finance Audit; India Commercial Audit; and UAE, Bahrain & Oman Internal Controls (COSO) Reviews.

Furthermore, internal audit department completed the annual audit risk assessment which was reported to the ARC Committee and formed the basis for 2025-27 Internal Audit Plan (approved by ARC Committee). The Internal Audit Department also spearheaded a "Project Excellence" initiative to assist management in reviewing 17 policies across various departments..

The Board met its internal audit responsibilities in 2024 by reviewing presentations on risk management, discussing internal audit / control issues at Board meetings, and reviewing periodic reports from Board ARC Committee; and found that the internal audit environment was satisfactory for 2024. During 2024, the Company did not face any major internal audit issue requiring disclosure in any report or to the market.

12. IRREGULARITIES IN 2024

Except as otherwise specifically stated elsewhere in this report, Tabreed confirms that it is compliant with Decision 3/2020 on Corporate Discipline and Governance Standards and that no irregularity occurred during the course of 2024.

13. CORPORATE SOCIAL RESPONSIBILITY: CODE OF CONDUCT AND LOCAL COMMUNITY DEVELOPMENT

Tabreed's approach to corporate social responsibility involves adopting business practices that, in addition to being compliant with applicable legal and regulatory requirements, are based on ethical values and respect for the immediate community and stakeholders of the Company (being employees, customers, partners, investors, suppliers, vendors, government and the environment).

Tabreed is also conscious about its overall social impact and understands the increasing expectations of its stakeholders in relation to how Tabreed conducts its business. Consequently, Tabreed chooses to be socially responsible and to contribute as a sustainable business to positively impact the wider community.

In light of the above, Tabreed has in place a Code of Conduct which is regularly revised and updated that sets out internal rules and requirements for:

- Improper payments;
- Market misconduct;
- Prevention of fraud, and money laundering;
- Entertainment and gifts;
- Working with stakeholders, suppliers and government;
- Sponsorship and CSR Policy;
- Serving the community; and
- Sustainability and corporate social responsibility.

Tabreed's Code of Conduct sets out the framework, values, principles and standards by which we expect all our employees to abide when dealing with vendors, customers, contractors and other external stakeholders, as well as when dealing with colleagues, affiliates, subsidiaries and internal departments.

In 2024, all Tabreed employees and Board members were required to complete an annual declaration confirming compliance with the Code of Conduct, disclosing any matters of potential non-compliance to the Tabreed compliance team for its review and consideration. This is a practice undertaken annually in addition to quarterly updates requested from Board members through the year and requests for ongoing reporting from employees to be made throughout the year.

Tabreed maintained in 2024 a dedicated, anonymous whistleblowing hotline which is available to Tabreed staff to make declarations on possible breaches of code of conduct or other unacceptable behaviour within the company. Communications to staff have emphasised that the hotline is run by an independent operator and disclosures can be made anonymously and disclosures will be passed to the Compliance team for its review.

The Tabreed Compliance team maintains on an annual and regular basis the online training for all Tabreed corporate staff on the subjects of Anti Bribery and Corruption, Anti Money Laundering and Delegation of Authority. Participation of 100% of corporate staff was recorded via our Elearning provider.

13.1. WIZe Initiative

As part of our commitment to excellence, Tabreed continues to foster a culture of mindful decision making and financial prudence through WIZe, the cost-optimization initiative launched in 2023.

By embracing this initiative, Tabreed reinforced its position as a forward-thinking company that values the importance of strategic decision-making demonstrating the management's prudence in identifying and capitalizing on cost-saving opportunities to streamline the processes, eliminate unnecessary expenditures and fortify the overall operational efficiency.

WIZe has not only proven successful but has also underscored the collective impact of our employees in driving cost-savings and advancing our journey towards financial resilience and sustainable growth

13.2. Plant visits

New joiner employees are invited to tour our plants during their joining month as part of their orientation. Plant visits will give insights on the operations of district cooling plants.

13.3. Student Internships

Tabreed's Internship Program (TIP) is a comprehensive opportunity, welcoming applicants of all nationalities, including individuals who have graduated. This program is crafted to offer valuable career-related experiences, extending beyond the traditional confines of student internships. Tabreed recognizes the significance of internships in shaping the professional journey and believes in providing a platform for individuals, irrespective of their academic status, to gain practical insights and enhance their career development.

13.4. Al Reyadah Program

Tabreed has implemented a development programme to further develop the skills of UAE national employees to accelerate their contribution to Tabreed's performance-driven culture by creating alignment between the company goals and employee performance, which includes a development program with specific and measurable milestones to monitor professional development to ensure employees are being effectively developed and trained to take on increasingly senior roles within the organization.

13.5. Sponsorship

Tabreed invests in the aspiring youth of the Country as a service to the local community and part of its Corporate Social Responsibility mandate. Through Tabreed's Sponsorship Program, talent pools will be identified as the potential future workforce of the Company.

The Company attracts UAE national Students to work with Tabreed by providing a sponsorship with one of the granted local (UAE) based Accredited Universities and Technical Colleges.

13.6. Succession Planning

Tabreed has established a succession plan framework to provide continuity in leadership and avoid extended and costly vacancies in key positions. Succession planning is a process for identifying and developing internal people with the potential to fill key business leadership positions in the Company. Succession planning in senior roles is considered an essential job requirement. Critical Role Job incumbents are accountable for identifying and developing their potential successors to provide with a continuous flow of talented people to meet the Company's needs

13.7. Compliance Month Campaign

In September 2024, Tabreed launched its first Compliance Month campaign, highlighting the critical role of compliance principles in the business. The initiative was well received by staff and featured several engaging activities, including**: (1) Infographic briefings**: Simplified key topics such as Anti-Bribery & Corruption, Share Trading Rules, and the EARS facility; **(2) Staff webinar**: Christian Hunt presented "Why We Are All Wired to Make Mistakes," using live and practical examples to underscore the importance of compliance**; (3) Plant visit**: Demonstrated the significance of workplace compliance at Tabreed facilities; and **(4) Compliance Quiz**: A "Spin the Wheel" quiz held in the office to reinforce learning in a fun and interactive way.

14. SUSTAINABILITY, OCCUPATIONAL HEALTH & SAFETY, AND QUALITY

14.1 Sustainability

14.1.1 Environmental Management

The Company complies with all applicable UAE environmental laws and regulations and has received specific permits from the UAE Environment Agencies in each applicable Emirate.

- Tabreed achieves Verified Carbon Standard for carbon credits generation from one of its district cooling projects
- In relation to effluent water release:
- Obtaining permits for plant effluent water release from Environmental Agency Abu Dhabi (EAD) after undertaking to control certain parameter requirements such as acidity, turbidity and conductivity of the effluent.
- In relation to emissions into the air:
- Air quality is monitored at all plants on regular basis, Including for the presence of formaldehyde.

14.1.2 Go Green Initiative

Go Green is an initiative to support Tabreed's efforts on sustainability with a keen focus on the reduction of its environmental impact. A core element of this initiative is reduction in the amounts of resources consumed which will consequently reduce waste generated by the Company. In the primary phase, this initiative focused on Tabreed Head Office with requirements, such as energy efficiency and reduction in generated waste (e.g., reducing paper and plastic usage). The following are a few accomplishments:

- Secure printing initiative: decrease in the number of printers (group and standalones) with the implementation of secure card operated printers for increased security and usage efficiency.
- Digital signature initiative: adopted paper-free, fast and secure processes to send, sign, and approve documents.
- Solar panels installed in TM 12 and AD 16 with a generation capacity of 1.2 MW to feed into the LV network.
- Paperless project site initiative: Tabreed's Projects department identifies sites for paperless transactions; an action plan is set and achieved to reduce paper usage by a certain percentage at these sites.
- Plastic bottles initiative: usage of plastic water bottles has been stopped, dispensers along with biodegradable paper cups placed, and refillable, sanitized metal water bottles were provided.

14.1.3 Waste Management

Tabreed continued to comply with relevant UAE federal / local authorities by enforcing its Waste Management Reduction Plan that applies to all its plants, project sites and offices, with the key objectives to protect the environment and minimize / reduce waste materials through prudent waste management program..

14.1.4 United Nations Sustainable Development

In addition, we are working to align our business strategy with the United Nations (UN) Sustainable Development Goals ("SDGs"). As a member of the "Cool Coalition" steering committee - a United Nations initiative - we have supported the UN SDGs since their inception. So far, we have set aggressive goals that align to the objectives and targets of several SDGs.

Sustainability is at the core of Tabreed's operations. It reflects the company's commitment to energy efficiency and to the environment, to its customers and to the sustainable socio-economic development of the region. They guide our day-to-day work, environmental and governance practices as well as our social

14. SUSTAINABILITY, OCCUPATIONAL HEALTH & SAFETY, AND QUALITY

14.2 Focus on Occupational Health and Safety

Health, safety, and environment or HSE is the cornerstone of our operations and an integral part of business planning and strategic goal setting

14.2.1 Leadership & Commitment:

- Top management is fully committed to HSE with direct reporting line to the COO
- HSE performance reporting is done to the Board of Directors on monthly basis
- HSE steering committee comprises HSEQ, Operations, Projects, and Supply Management departments
- Multiple plant and site visits performed each year by Chiefs, VPs, and senior management
- Management Review is done on regular basis to ensure continual improvement
- Compliance to regulatory authorities (DOE/OSHAD, NCEMA, DM, HAAD, TADWEER, and EAD etc.)
- Assigned DSS+ to perform a consultancy work “Risk-Based Assessment & Improvement Roadmap"

14.2.2 IMS Policy:

Key aspects of the IMS policy are as follows:

- Integrate Quality, Energy Management and Business Continuity with OH&S and Environment
- Conduct business in socially responsible manner
- HSEQ is a key consideration in business planning and decisions
- Comply with all regulations and industry best practices
- Ensure all employees are trained and motivated to adopt and develop HSE culture
- Seek continuous improvement in HSE and quality performance

14.2.3 Certifications and Awards:

Recipient of the latest revisions of the ISO certifications:

- ISO9001:2015 for Quality Management Systems
- ISO14001:2015 for Environment Management Systems
- ISO45001 2018 for Occupational Health and Safety Management Systems
- ISO50001:2018 for Energy Management Systems – the first DC company in the region to have done so

Additionally, Tabreed was honored and recognized on several fronts and received the following awards:

- Institutional Investors Survey: # 1 in Emerging EMEA Utilities
- International Finance Award: Best Finance Team Award - Utilities; Best IR Team Award – Utilities
- Europe and Emerging EMEA IR Awards: Top 5 IR Program in Energy Sector
- OnCon Awards: Top 10 Finance Team Award
- International Business Magazine: Best CFO UAE; Best Finance Leader of the Year UAE and Best Use of Technology in Finance Awards
- MEIRA IR Awards: Best ESG Report in the Middle East – Midcap sector, #2 in Most Improved IR Program in the GCC
- IDEA Awards: Total Number of Buildings Added or Recommitted – Silver Award; Total Square Footage Added or Recommitted – Silver Award
- Asian Power Awards 2024: Renewable Projects (Geothermal DCP) – Gold Award; DC Initiative of the Year – UAE (Nano-particle additive in CW System)
- Gulf Sustainability Award: Best Employee Well-Being – Silver Award
- Global ESG Awards: Health and Well-being Programs – Gold Award
- HRM Summit Awards – Bahrain: People-Focused CEO of the Year”

14.2.4 Implementation and Performance:

- HSE aspects integrated at project conceptual / design stages
- Development of Tabreed’s HSEQ and Energy Management manual
- Frequent Regular internal and external HSEQ audits to ensure compliance to ISO standards, UAE regulations (OSHAD, DM, etc.) and international standards

14.2.4 Implementation and Performance:

- Regular HSE trainings and awareness programs to enhance HSE readiness
- Robust Permit to Work (PTW) system
- Action tracking system for effective monitoring of HSE performance, objectives and KPIs
- 2.6 million man-hours without any major injuries, until the end of Q3, 2024
- Robust behavioural-based safety (BBS) program to ensure compliance with HSE culture
- Innovative ideas to strengthen HSE culture, such as HSE Walls, Electronic Display Screens, and Black-White Points System to enhance contractor management

14.2.5 Automation and AI to ensure HSE Compliance:

Key endeavours include:

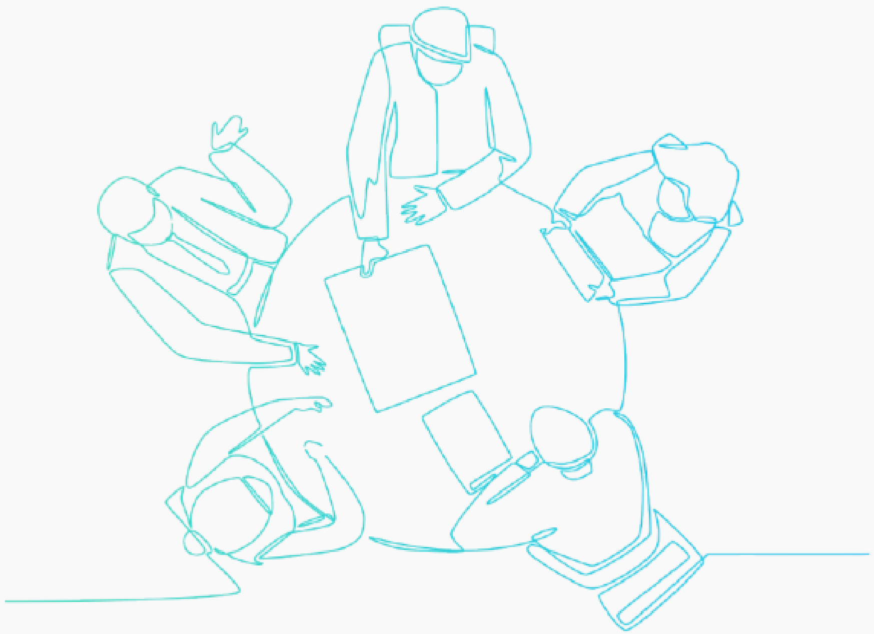
- Integrating AI with CCTV at the plants
- Lone worker application to monitor safety and wellbeing of those working in remote areas or alone at a plant
- Digitalization of Tabreed PTW and LOTO processes
- Headcount system for the head office

14.3 Focus on Occupational Health and Safety

Tabreed is certified under ISO9001:2015 and integrates its quality management system with other management systems, such as ISO45001 (OH&S), making it ever more essential to ensure sound integration while documenting and implementing the quality management program across the organization.

To ascertain sustained Business Excellence Tabreed has endeavoured on EQM, an organization-wide Total Quality Management program with the following core objectives:

- Providing insight on quality management functions by Tabreed HSEQ and other departments and mapping them against the essential clauses from ISO9001, 9004 and the SKEA (Sheikh Khalifa Excellence Award) model.
- Finding discrepancies in existing quality management efforts.
- Continue to improve to overcome such discrepancies.
- Integration on a unified platform all the quality efforts.

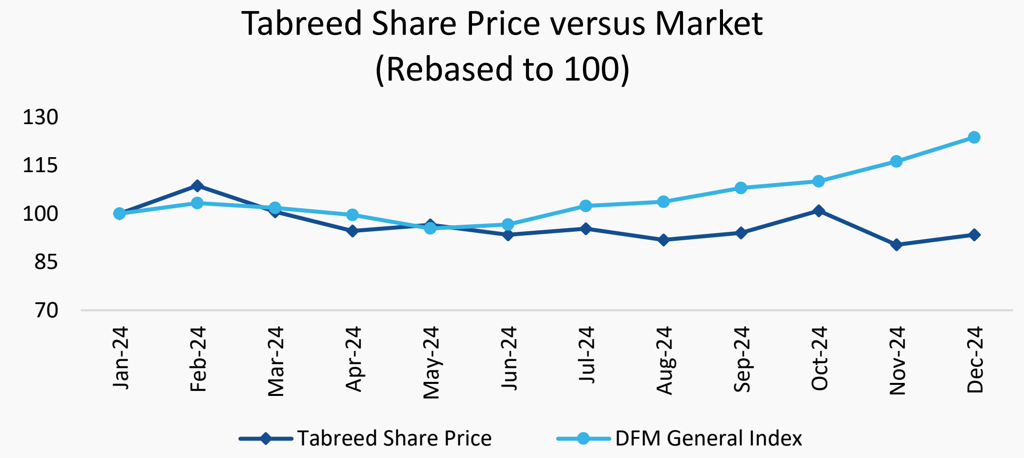


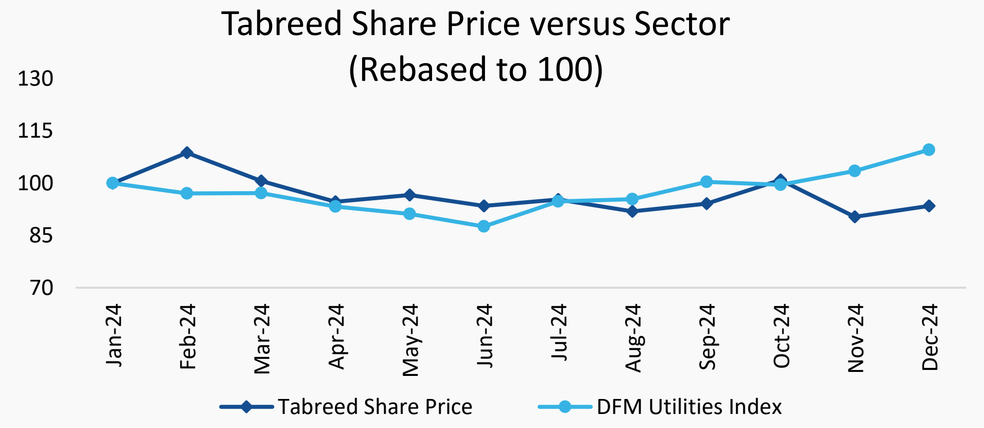
15. GENERAL INFORMATION

15.1 Share Price

The following table presents the highest and lowest share price of Tabreed during each month of 2024 and shows the closing price of Tabreed, Market Index and Sector Index at the end of each month during 2024:

	Tabreed Share Price (AED)			Market Index	Sector Index	Share Performance	
	Highest	Lowest	Closing			vs. Market	vs. sector
January	3.62	3.07	3.21	4169.08	953.28	-12.7%	-11.3%
February	3.49	3.17	3.49	4308.77	925.25	5.2%	12.0%
March	3.59	3.19	3.23	4246.27	925.72	-6.1%	-7.5%
April	3.26	2.88	3.04	4155.77	889.13	-3.8%	-2.0%
May	3.44	2.99	3.10	3977.93	869.03	6.5%	4.3%
June	3.32	3.00	3.00	4030.00	834.82	-4.5%	0.7%
July	3.20	3.00	3.06	4268.05	903.58	-3.7%	-5.8%
August	3.13	2.93	2.95	4325.45	909.12	-4.9%	-4.2%
September	3.07	2.95	3.02	4503.48	956.62	-1.7%	-2.7%
October	3.24	2.95	3.24	4591.05	948.66	5.2%	8.2%
November	3.29	2.74	2.90	4847.34	986.74	-15.2%	-13.9%
December	3.05	2.83	3.00	5158.67	1044.73	-2.8%	-2.3%





15.2 Shareholder Ownership

Shareholder Ownership (%) as at 31 December 2024 is as follows:

	Total	Individual	Company (incl. Institutions & Banks)	Government
Local (UAE)	**51.81 %**	5.17 %	46.64 %	0.00 %
GCC	**2.19 %**	0.24 %	1.95 %	0.00 %
Arab	**0.43 %**	0.38 %	0.05 %	0.00 %
Others	**45.58 %**	0.37 %	45.21 %	0.00 %

Source: Dubai Financial Market

15.3 Ownership - 5% or More

Shareholders who own 5% or more of the share capital as at 31 December 2024

Name	Number of shares owned (million)	% Ownership
GDF International	1,138.108	40.00 %
General Investments FZE	1,087.217	38.21 %

Source: Dubai Financial Market

15.4 Shareholders Ownership Distribution

	Shares owned	No. of Shareholders	No. of shares held	% of the shares owned
1	Less than 50,000	17,052	32,040,898	1.13 %
2	From 50,000 to less than 500,000	287	43,782,420	1.54 %
3	From 500,00 to less than 5,000,000	77	110,351,426	3.88 %
4	More than 5,000,000	22	2,659,096,326	93.46 %
Total		**17,438**	**2,845,271,070**	**100.00 %**

Source: Dubai Financial Market

15.5 Investor Relations

For the purposes of Article 51 of Decision 3/2020, the officer in charge of Investor Relations (IR) and Shareholder Communications for the Company is Yugesh Suneja, Head of Investor Relations. Contact details of IR Department are:

- Email address: ir@tabreed.ae;
- Telephone: +971 2 202 0400

Further information in relation to investor relations is available in the “Investor Relations” section of Tabreed’s website: www.tabreed.ae.

15.6 General Assemblies; Special Resolutions

Tabreed conducted one general assembly in 2024, namely its Annual General Assembly on 19 March 2024, where the following special resolutions were passed to during the Assembly:
15.6.1) 19 March 2024 AGA Special Resolutions:

- Authorise the Board of Directors of the Company, for a period of 12 months, to issue non-convertible (into shares) bonds and/or sukuk (whether directly or through a special purpose vehicle) in accordance with this special resolution, in one or more tranches, to be offered to qualified investors, with a total value of up to USD 1 billion (or equivalent) in aggregate and at a profit rate not exceeding the prevailing market rate available to companies with the same credit rating as the Company, in each case as the Board of Directors of the Company sees fit.

15.7 Board Secretary

Sean James Magee is the Company Secretary of Tabreed and was appointed on 11 May 2022. Sean James Magee is an experienced UK qualified lawyer with experience across infrastructure projects and operations, corporate and commercial matters, with experience in the UK and the UAE. The primary responsibilities of the Company Secretary are to promote corporate governance excellence within the Boardroom and to ensure that a healthy relationship exists between the Board and the management of the Company. The Company Secretary ensures compliance with applicable corporate governance requirements and regulations at all times. The Company Secretary also coordinates meetings of the Board of Directors, circulates the agenda and supporting information in advance of the meetings and then prepares and finalizes the minutes of those meetings. Currently the Company Secretary acts independently from management and reports directly to the Board in his capacity as the Company Secretary, however Sean Magee is an employee of the Company, in a separate capacity as the General Counsel. Sean re-qualified as a DFM approved Company Secretary in May 2022.

15.8 Significant Events – 2024

Date	Events
2 February	Tabreed, has concluded the third phase of its 'Tasheel' programme – an ambitious and extensive retrofit of Variable Frequency Drives (VFDs) to increase energy efficiency and assist in the decarbonisation of its operations. Tabreed celebrated its silver jubilee in 2023 and is the Middle East's original district cooling provider.
9 February	Tabreed, had its 'Investment Grade' status reaffirmed by Moody's and Fitch, being rated Baa3 and BBB respectively. Moody's report was published on 21 December 2023, with Fitch releasing its findings more recently, on 29 January 2024.
15 February	Tabreed, released its consolidated financial results for the year 2023, reporting a revenue of AED 2.4 billion – a 9% increase over 2022 – and a net profit attributable to parent, before deferred tax, of AED 751 million.
15 March	Tabreed shareholders approved a record high dividend payment of 15.5 fils per share, paid fully in cash. As disclosed in the company's recent full-year results for 2023, this represented an increase of 15% over the previous year and recognised Tabreed's strong financial performance. During 2023, Tabreed reported a growth of 9% in revenue and an increase of 25% in net profit before tax to parent.
15 May	Tabreed, released its consolidated financial results for the first three months of 2024, recording consumption volume increases year-on-year of 9%, driven by new connections attributing to organic growth recorded during the past year. The company reported a net profit before tax of AED 122 million, representing an increase of 4% compared to AED 117 million (adjusted for one-off gains and losses) reported during the same period last year.
28 May	Tabreed, transformed one of its major UAE facilities into a masterpiece of street art. The company's Al Maryah Island plant supplies an impressive roster of clients, such as Cleveland Clinic, Rosewood Abu Dhabi, Four Seasons, Galleria Mall and Abu Dhabi Global Market, with essential district cooling services.
6 June	Tabreed Publishes its latest ESG Report, covering the year 2023 and demonstrating impressive strides towards decarbonisation of cooling as the Company made significant strides in decarbonisation of cooling throughout 2023 and enrolled in DFM's Carbon Credits Pilot and purchased Clean Energy Certificates
1 July	Tabreed, has completed its participation at this year's Big 5 Construct Egypt, where members of its executive management team led the discussion on the vital topics of decarbonisation through planning efficiency and the role of district cooling in sustainable cities.

15.8 Significant Events – 2024 (Cont.)

Date	Events
9 July	Tabreed, wrapped its sponsorship and participation at the third edition of Asia Urban Energy Assembly in Bangkok, Thailand. Strategically an extremely promising market for sustainable cooling, Tabreed is seeking new opportunities across Southeast Asia, where the effects of global temperature rises are posing ever greater risks to society.
9 August	Tabreed, has released its consolidated financial results for the first six months of 2024 and announced changes to its Board of Directors. Tabreed experienced an 8% year-on-year surge in consumption volumes, reflecting rising cooling demand during the summer and continued strategic expansion over the past 12 months. The Company delivered a net profit before tax of AED 291 million – an increase of 4% compared to the same period last year. Tabreed was pleased to announce the appointment of Dr. Bakheet Al Katheeri as the new Chairman of its Board of Directors, succeeding Khaled Al Qubaisi, who has served as Tabreed's Chairman since 2017.
29 August	Tabreed, made a major advancement in its efforts to decarbonise the cooling sector, achieving the 'Verified Carbon Standard' at one of its Abu Dhabi plants, certifying carbon credits to offset emissions..
19 September	Tabreed, completed its sponsorship, exhibition and participation at the third World Utilities Congress, held at the Abu Dhabi National Exhibition Centre (ADNEC). Since the first edition in May 2022, the event has become a firm fixture on the calendar for regional and global utilities companies and Tabreed has played a central role as sponsor and exhibitor from the start.
25 October	Tabreed, has been honoured at the prestigious 2024 Asian Power Awards, held in Singapore recognising Tabreed as a long-established champion of sustainable cooling. Judges awarded the company with two significant awards: 'Geothermal Power Project of the Year – Gold' and 'District Cooling Initiative of the Year – UAE'.
15 November	Tabreed, released its consolidated financial results for the first nine months of 2024. Tabreed has experienced a 6% year-on-year rise in consumption volumes during 9M 2024. During the first nine months period, the company delivered consistent growth, maintained resilient profitability margins and further strengthened its financial position.
25 November	Tabreed, completed its week-long activities at COP29 in Baku, Azerbaijan. During this vitally important global event, the company's representatives delivered keynote addresses, participated as panellists and delivered presentations that positioned Tabreed as, not only the global leader in this vital industry but also one that's ready, willing and able to export its unmatched international expertise to new territories, such as Southeast Asia, where it is needed more than ever before.

15.9 Emiratization Percentage

In respect of the total headcount of Tabreed's corporate operations, Tabreed held the following Emiratization levels in respect of the periods stated below:

2024	42% Emiratization
2023	40% Emiratization
2022	42% Emiratization
2021	43% Emiratization
2020	41% Emiratization
2019	41% Emiratization
2018	39% Emiratization

15.10 Innovative Projects

During 2024, Tabreed further enhanced its efforts to foster a culture of innovation within the organization. The Innovation Committee meetings were conducted quarterly to discuss and provide updates on the various technologies that had been explored. Through participation in various energy summits, Tabreed gained significant knowledge about emerging technologies and decarbonization measures. Tabreed signed NDAs with multiple technology providers and companies to explore & test emerging technologies that might impact its district cooling business.

The innovation road map focuses on multiple technological areas, with a prime focus on technologies that will contribute to increasing energy efficiency, contribute to reduce green-house emissions etc.

Tabreed Innovation projects won 2 awards for Innovative and Trailblazing Initiatives in the Power Sector for period 2024 from "Asian Power Awards

Planned projects include:

Nano Technology	Aims at drastically improving plant life and efficiency using advances in nanotechnology. • Tabreed partnered with HT Material Science (HTMS) for implementation of a pilot project to use nano particles in a chilled water circuit. The purpose of the Pilot is to certify the increased thermal capacity and/or energy efficiency. The results shows 9% improvement in overall plant efficiency i.e. is broadly equivalent to avoided energy costs and the consequent reduced carbon footprint for the facility. This is currently being tested in Dubai Metro Air Cooled Plants. • In partnership with ENGIE Lab, Sky cooling pilot project is completed in one of the plant in Abu Dhabi . The technology is based on spontaneous radiative emission of thermal energy as infrared radiations The initial results shows efficiency improvement.
Geothermal Energy Utilisation	• Tabreed has signed an MOU with ADNOC to explore the utilization of geothermal energy primarily for cooling application. The partnership aims at combining ADNOC's experience in deep well drilling and operations and Tabreed's expertise in cooling and to explore utilisation of the energy from the geothermal wells which Tabreed owns at Masdar City. • The project (G2COOL) was successfully commissioned ahead of COP28. The load is being served to existing Masdar City district cooling network.
Solar Panels	• Tabreed have tied up with Masdar to explore and collaborate on opportunities in distributed solar generation. Construction is in progress for two plants of 1MW each.
Condenser water treatment system	• Electrolytic filtration system is being used to remove scales from condenser water & can reduce the use of chemicals in the condenser water loop. • Auto tube cleaning system recycles sponge balls (typically 1mm bigger than the tube inner diameter) along with the water flow and squeezes the deposits out of the tubes without causing disturbance to the water pressure gain.

Previous projects implemented for electrical efficiency improvements have delivered significant savings in electrical consumption and thereby a reduction in CO_2 emissions. Tabreed continues to focus on using historical data for its plants to enhance its operational efficiency and develop energy models for predicting energy efficiency of future plants. Tabreed continues to develop models to provide more process insights and enhancements to the design and operation of its assets.

Tabreed developed an ambitious plan to reduce water consumption by increasing the use of treated sewage effluent (“TSE”) in cooling towers. Tabreed already utilizes TSE as a cooling tower make-up source in a few plants in Dubai. Consultation is in progress with various regulatory agencies and utility providers to explore implementation of similar projects in other plants as well, in particular in Abu Dhabi.

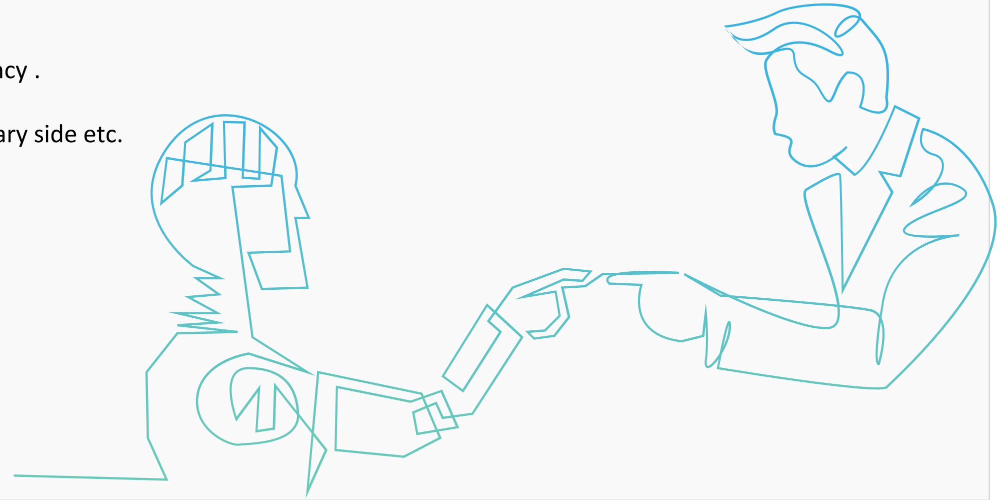
Tabreed is actively pursuing integration of renewables such as geothermal and solar energy to power it’s DC Plants as well as looking at innovative use of technologies to reduce its energy consumption:

- Two solar PV plants with capacity of 1 MW each are under construction with expected operations starting in early 2025. Tabreed engaged with Masdar to explore and collaborate on opportunities in distributed solar PV generation for district cooling, The idea is to offset the electricity consumption from the grid by utilizing renewable energy. As well as the potential electricity peak shaving by combining solar PV & Thermal Energy Storage.
- Tabreed constructed the first geothermal cooling project in the Gulf region, G2Cool, in collaboration with ADNOC and Masdar City to harness geothermal energy in district cooling. The plant of 700RT was commissioned during the CoP28 and interconnected to the existing Masdar City district cooling system to satisfy around 10% of the total cooling demand. This plant needs three times less electricity consumption compared to a traditional standalone air-cooled system i.e. 1,000 tons of CO_2 emissions avoided.
- A pilot project in solar PV is under development. The proposed technology is a flexible and light weight thin film silicon based photovoltaic modules .The modules produce energy in a more efficient way than conventional glass solar panels.
- Nanoparticles implementation in different plants showed an initial improvement between 9% and 12% in electrical efficiency .

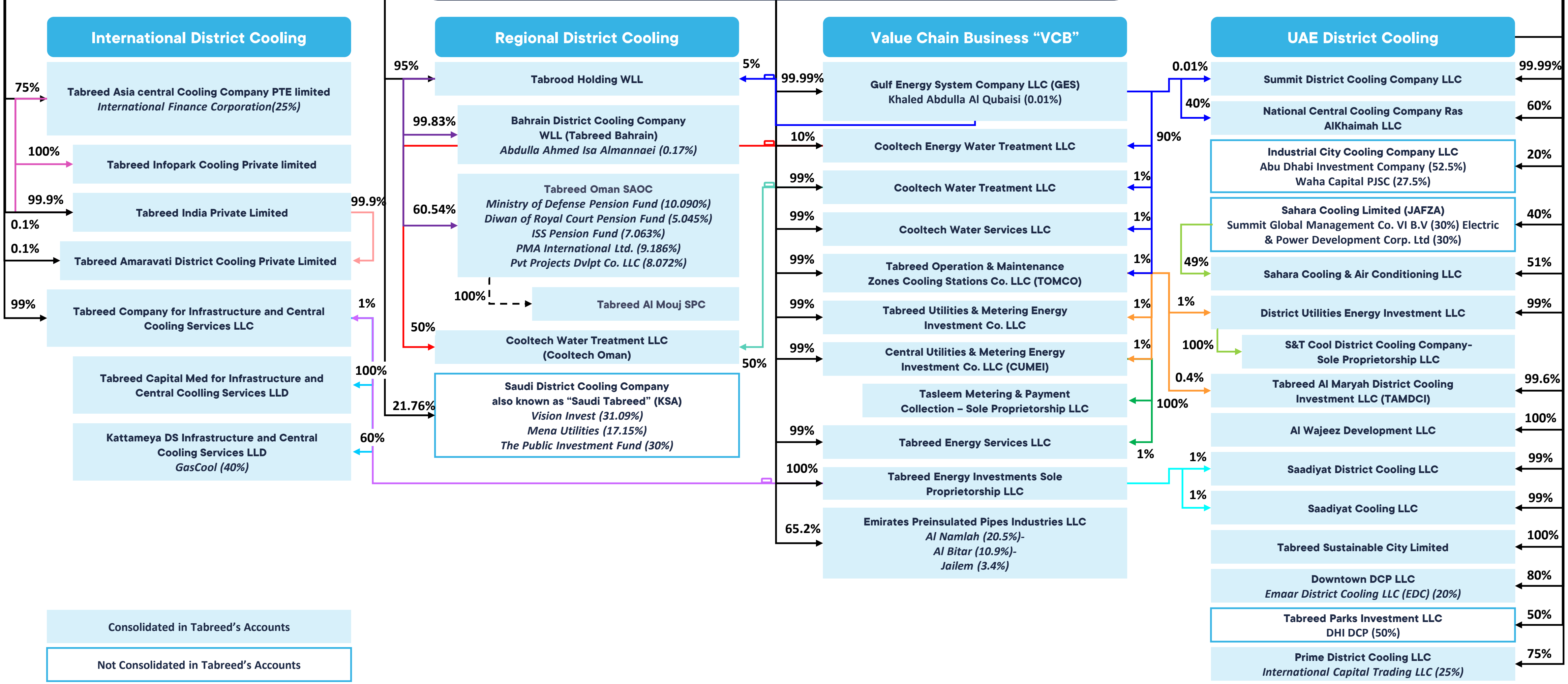
Tabreed is actively pursuing skycooling, nanotechnologies, condenser water treatment, fresh air improvements in the secondary side etc.

to enhance the operation efficiency.

Overall, Tabreed’s R&D initiatives in 2024 have developed a strong pipeline of ideas and projects that will be explored for testing & adaptation in the near future.



Corporate Structure Chart as of 31 December 2024 National Central Cooling Company PJSC ("Tabreed")



Financial Statements

BOARD OF DIRECTORS REPORT

- With every passing year, Tabreed goes from strength-to-strength, providing safe, reliable and efficient cooling to its customers and steady returns for investors and stakeholders alike.
- The Company's financial position has significantly improved over the past few years, laying strong foundations for the future expansion in both UAE and international markets
- Demand for cooling is rapidly growing and Tabreed's unrivalled expertise means it is well placed to meet market requirements with speed, agility and sustainability, perfectly aligned with the UAE's 'Net Zero by 2050' initiative

Financial Highlights

In 2024, Tabreed has once again showed resilience of its business model. Highlights include:

- Group revenue increased AED 2.434 billion (2023: AED 2.415 billion).
- EBITDA[1] increased by 5% to AED 1.252 billion (2023: AED 1.198 billion), with improved margin of 51%.
- Net profit attributable to the parent increased by 32% to AED 570 million (2023: AED 431 million)

1) EBITDA definition on Page 10

Operational Highlights

During 2024, Tabreed added 23,756 Refrigeration Tons (RT) of new connections:

- Total connected capacity increased to 1,325,000 Refrigeration Tons (RT)
- 2 new greenfield plants commissioned to meet new demand.
- Further expanded international footprint
- Consumption volumes increased by 5% year-on-year

Environmental Impact Highlights

- 2.64 billion kilowatt hours saved across the GCC – enough to power approximately 150,000 homes every year
- Prevented the release of 1.58 million metric tons of CO_2 into the atmosphere, equivalent to the removal of approximately 343,000 vehicles from the roads annually
- Achieved 'Verified Carbon Standard' at one of the plants, further reinforcing the role of district cooling in reaching net zero goals

BOARD OF DIRECTORS REPORT (CONT.)

FEB

Full Year Results for 2023 show Tabreed to be in Excellent Position as it Targets Regional and International Expansion. The Company reported revenue of AED 2.4 billion – a 9% increase over 2022 – and a net profit attributable to parent, before deferred tax, of AED 751 million. Moody's and Fitch reaffirm Tabreed's investment grade credit ratings.

MARCH

During AGA, shareholders approved a record high dividend payment of 15.5 fils per share for 2023, to be paid fully in cash. This represents an increase of 15% over the previous year and recognizes Tabreed's strong financial performance.

MAY

Tabreed announced financial results for the first quarter of 2024, recording consumption volume increase of 9% year-over-year, driven by new connections attributed to organic growth. The company reported a net profit before tax of AED 122 million, representing an increase of 4% reported during the same period last year (adjusted for one-off gains and losses).

AUG

Tabreed made a major advancement in its efforts to decarbonise the cooling sector, achieving the 'Verified Carbon Standard' at one of its Abu Dhabi plants, certifying carbon credits to offset emissions. Tabreed becomes eligible to trade carbon credits (in the voluntary market) as an emissions preventer.

OCT

Tabreed was honoured at the prestigious 2024 Asian Power Awards, held in Singapore, as judges awarded the company with two significant awards: 'Geothermal Power Project of the Year – Gold' and 'District Cooling Initiative of the Year – UAE. These awards recognised Tabreed as a long-established champion of sustainable cooling.

NOV

Following a successful collaboration during 2023's COP28 in Dubai, Tabreed once again supported the United Nations Environment Programme (UNEP)-led Cool Coalition as a Silver Sponsor of the Buildings and Cooling Pavilion in the heart of the Blue Zone during COP29 in Baku, Azerbaijan.

To the shareholders of National Central Cooling Company PJSC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of National Central Cooling Company PJSC (the “Company”) and its subsidiaries (the “Group”) which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

To the shareholders of National Central Cooling Company PJSC

Report on the Audit of the Consolidated Financial Statements (cont'd)

Revenue recognition

The Group generates revenue from its contracts with customers for the supply of chilled water and associated value chain in the UAE, Bahrain, and Oman through its controlled subsidiaries. A significant proportion of the Group's revenues and profits is derived from long term contracts including lease arrangements.

Revenue from the supply of chilled water is recognized over time. The Group has applied judgement in classification of certain long-term customer contracts as operating or finance leases depending on the terms and conditions of the contracts.

Revenue from the value chain business is recognized over time for supervision and design of district cooling networks and at point in time for the sale of related equipment.

The Group's revenue recognition accounting policy is included in note 2.3.2 to the consolidated financial statements.

The Group recognised revenue of AED 2,434 million for the year ended 31 December 2024. Revenue recognition is considered a key audit matter given the Group's varied nature of revenue arrangements and the magnitude of the amounts involved.

The audit procedures performed over this key audit matter include the following:

- We obtained an understanding of the business process flow and performed walkthroughs to understand the key processes and identify key controls;
- We assessed the relevant controls over revenue to determine if they had been designed and implemented appropriately and tested these controls to determine if they were operating effectively;
- We performed procedures to assess whether the revenue recognition criteria adopted by Group is appropriate and in accordance with the Group's accounting policy and the requirements of the IFRS Accounting Standards;
- We performed analytical procedures including data analytics on major revenue streams to test transaction initiation to recording process and compared the major revenue streams to prior year results;
- We obtained the key items and representative sample of revenue transactions and tested their occurrence, accuracy and recognition, by tracing them back to supporting documents;
- We recalculated the finance lease income, on a sample basis, with reference to the respective lease models; and
- We assessed the disclosure in the consolidated financial statements relating to revenue recognition for compliance with the requirements of the IFRS Accounting Standards.

Impairment assessment of goodwill

The Group has recorded goodwill amounting to AED 319 million arising from the acquisition of two of its subsidiaries.

Management carries out impairment assessments of goodwill annually. Goodwill impairment testing is considered a key audit area given the significant estimates and assumptions involved in determining the value in use of the respective cash generating units. These estimates and assumptions relate to future cash flows, consumer price index and discount rates.

The audit procedures performed over this key audit matter include the following:

- We tested, together with our valuation specialists, the Group's impairment testing methodology and inputs used in the models as well as the assumptions relating to consumer price index and discount rates;
- We tested the mechanical accuracy of the cash flow models;
- We assessed the sensitivity of available headroom in the respective CGUs to changes in key assumptions;
- We compared actual performance of cash generating units to the assumptions applied in discounted cash flow models to assess the historical accuracy of management's estimates;
- We performed earnings multiples cross checks in comparison with other comparable businesses to assess the impairment testing model outcomes; and
- We assessed the adequacy of the disclosure in the consolidated financial statements in compliance with the requirements of the IFRS Accounting Standards.

To the shareholders of National Central Cooling Company PJSC

Report on the Audit of the Consolidated Financial Statements (cont'd)

Other information

Other information consists of the information included in the Group's Annual Report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Group's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and the Board of Directors for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and in compliance with the applicable provisions of the Memorandum of Association of the Company and the UAE Federal Law No. 32 of 2021, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

To the shareholders of National Central Cooling Company PJSC

Report on the Audit of the Consolidated Financial Statements (cont'd)

Other information

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

To the shareholders of National Central Cooling Company PJSC

Report on other legal and regulatory requirements

Other information

Further, as required by the UAE Federal Law No. 32 of 2021, we report that for the year ended 31 December 2024:

i. the Group has maintained proper books of account;

ii. we have obtained all the information and explanations we considered necessary for the purposes of our audit;

iii. the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (32) of 2021, and the Memorandum of Association of the Company;

iv. investments in shares are included in note 9, 12 and 13 to the consolidated financial statements and include the purchases and investments made by the Group during the year ended 31 December 2024;

v. note 30 reflects material related party transactions and the terms under which they were conducted;

vi. based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the year ended 31 December 2024 any of the applicable provisions of the UAE Federal Law No. 32 of 2021 or of its Memorandum of Association which would materially affect its activities or its consolidated financial position as at 31 December 2024; and

vii. note 1 reflects the social contributions made during the year.

Further, as required by the Resolution of the Chairman of the Abu Dhabi Accountability Authority No. (88) of 2021 regarding financial statements Audit Standards for the Subject Entities, we report that, in connection with our audit of the consolidated financial statements for the year ended 31 December 2024, nothing has come to our attention that causes us to believe that the Group has not complied, in all material respects, with any of the provisions of the following laws, regulations and circulars as applicable, which would materially affect its activities or the consolidated financial statements as at 31 December 2024:

i. Its Memorandum of Association or Law of Establishment which would materially affect its activities or its consolidated financial position as at 31 December 2024; and

ii. Relevant provisions of the applicable laws, resolutions and circulars organising the Group's operations.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS, FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	for the year ended 31 December	
		2024 AED '000	2023 AED '000
Revenues	3	2,433,769	2,415,475
Direct costs	6.1	(1,352,734)	(1,333,390)
Gross profit		**1,081,035**	**1,082,085**
Provision for expected credit losses on trade receivables	20	(906)	(3,895)
Administrative and other expenses	6.2	(287,047)	(272,446)
Operating profit		**793,082**	**805,744**
Finance costs	5	(215,263)	(264,623)
Finance income		40,893	60,540
Other gains and losses, net	6.4	5,965	148,770
Share of results of associates and joint ventures, net	12, 13	37,598	34,923
Profit before tax		**662,275**	**785,354**
Income tax	14	(59,523)	(358,795)
Profit for the year		**602,752**	**426,559**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS, FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	for the year ended 31 December	
		2024 AED '000	**2023** AED '000
Attributable to:			
Equity holders of the parent		570,219	431,141
Non-controlling interests		32,533	(4,582)
		602,752	426,559
Total basic and diluted earnings per share attributable to ordinary equity holders of the parent (AED)	**7**	**0.20**	**0.15**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	for the year ended 31 December 2024 AED '000	2023 AED '000
Profit for the year		602,752	426,559
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Net movement in fair value of derivatives in cash flow hedges related to Interest Rate Swaps ("IRS")	20	(113,022)	(99,952)
Share of changes in fair value of derivatives of associates and joint venture in cash flow hedges related to IRS	12	12,146	(4,833)
Exchange differences arising on translation of overseas operations		(2,297)	781
Net other comprehensive(loss) income that may be reclassified subsequently to profit or loss		**(103,173)**	**(104,004)**
Reclassification of fair value of derivatives in cash flow hedges to profit or loss statement upon termination (note 24)		-	(100,604)
Net other comprehensive loss reclassified to profit or loss		-	(100,604)
Total comprehensive income for the year		**499,579**	**221,951**
Attributable to:			
Equity holders of the parent		467,046	226,533
Non-controlling interests		32,533	(4,582)
		499,579	**221,951**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

Assets	Notes	As at 31 December	
		2024 AED '000	2023 AED '000
Non-current assets			
Capital work in progress	10	306,576	258,276
Property, plant and equipment	11	4,449,578	4,471,687
Right-of-use assets	17	252,936	271,017
Intangible assets	15	3,981,139	4,049,445
Investments in associates and joint ventures	12,13	622,420	622,390
Finance lease receivables	16	2,444,732	2,522,872
Long term deposits	18	9,538	14,309
		12,066,919	**12,209,996**
Current assets			
Inventories		74,195	69,693
Trade and other receivables	20	615,207	717,473
Finance lease receivables	16	338,440	333,157
Cash and bank balances	21	1,022,776	1,509,804
		2,050,618	2,630,127
Total assets		**14,117,537**	**14,840,123**
Equity and Liabilities			
Equity			
Issued capital	22	2,845,271	2,845,261
Treasury shares		(3,314)	(3,296)
Statutory reserve	23	625,728	565,453
Retained earnings		2,831,012	2,762,076
Foreign currency translation reserve		(365)	1,932
Cumulative changes in fair value of derivatives in cash flow hedges		45,225	146,101
Equity attributable to the equity holders of the parent		6,343,557	6,317,527
Non-controlling interests		618,313	625,715
Total equity		**6,961,870**	**6,943,242**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONTINUED)

	Notes	2024 AED '000	2023 AED '000
Liabilities			
Non-current liabilities			
Trade and other payables	28	331,580	268,666
Interest bearing loans and borrowings	24	133,380	1,976,915
Islamic financing arrangement	25	-	638,135
Non-convertible Bonds and Sukuk	26	1,824,082	3,532,495
Lease liabilities	19	139,944	176,999
Deferred tax liabilities	14	360,941	358,795
Employees' end of service benefits	27	50,179	45,258
		2,840,106	**6,997,263**

	Notes	2024 AED '000	2023 AED '000
Current liabilities			
Trade and other payables	28	765,285	785,531
Interest bearing loans and borrowings	24	1,911,230	61,037
Islamic financing arrangement	25	640,666	-
Non-convertible Bonds and Sukuk	26	946,466	-
Lease liabilities	19	51,914	53,050
		4,315,561	**899,618**

	2024 AED '000	2023 AED '000
Total liabilities	**7,155,667**	**7,896,881**
Total equity and liabilities	**14,117,537**	**14,840,123**

Dr. Bakheet Al Katheeri
Chairman

Khalid Abdulla Al Marzooqi
Chief Executive Officer

Adel Al Wahedi
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2024

	Attributable to equity holders of the parent								
	Issued capital AED'000	Treasury shares AED'000	Statutory reserve AED'000	Retained earnings AED'000	Foreign currency translation reserve AED'000	Cumulative changes in fair value of derivatives in cash flow Hedges AED'000	Total AED'000	Non- controlling interests AED'000	Total equity AED'000
Balance at 1 January 2023	2,845,261	(3,296)	522,947	2,757,257	1,151	351,490	6,474,810	679,265	7,154,075
Profit for the year	-	-	-	431,141	-	-	431,141	(4,582)	426,559
Other comprehensive loss for the year	-	-	-		781	(205,389)	(204,608)		(204,608)
Total comprehensive income for the year	-	-	-	431,141	781	(205,389)	226,533	(4,582)	221,951
Transfer to statutory reserve	-	-	42,656	(42,656)	-	-	-	-	-
Dividends paid to shareholders (Note 8)	-	-	-	(383,666)	-	-	(383,666)	-	(383,666)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(48,966)	(48,966)
Others	-	-	(150)	-	-	-	(150)	(2)	(152)
Balance at 31 December 2023	2,845,261	(3,296)	565,453	2,762,076	1,932	146,101	6,317,527	625,715	6,943,242
Balance at 1 January 2024	2,845,261	(3,296)	565,453	2,762,076	1,932	146,101	6,317,527	625,715	6,943,242
Profit for the year	-	-	-	570,219	-	-	570,219	32,533	602,752
Other comprehensive loss for the year	-	-	-	-	(2,297)	(100,876)	(103,173)	-	(103,173)
Total comprehensive income for the year	-	-	-	570,219	(2,297)	(100,876)	467,046	32,533	499,579
Transfer to statutory reserve	-	-	60,275	(60,275)	-	-	-	-	-
Dividends paid to shareholders (Note 8)	-	-	-	(441,016)	-	-	(441,016)	-	(441,016)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(27,832)	(27,832)
Increase in share capital in a subsidiary	-	-	-	-	-	-	-	7,897	7,897
Repayment of shareholder contribution to non-controlling interest	-	-	-	-	-	-	-	(20,000)	(20,000)
Other Movements	10	(18)	-	8	-	-	-	-	-
Balance at 31 December 2024	**2,845,271**	**(3,314)**	**625,728**	**2,831,012**	**(365)**	**45,225**	**6,343,557**	**618,313**	**6,961,870**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Year ended 31 December	
		2024 AED '000	2023 AED '000
Operating activities			
Profit before tax		662,275	785,354
Non-cash adjustments:			
Depreciation of property, plant and equipment	11	202,665	209,270
Depreciation of right-of-use assets	17	31,077	29,677
Amortisation of intangible assets	15	112,181	102,645
Finance lease income	3	(238,803)	(295,590)
Share of results of associates and joint ventures	12,13	(37,598)	(34,923)
Provision for employees' end of service benefits	27	8,572	8,062
Other gains and losses, net		(5,965)	(148,770)
Provision for impairment of trade receivables	20	906	3,895
Finance income		(40,893)	(60,540)
Finance costs	5	215,263	264,623
Net operating cash flows before changes in working capital		**909,680**	**863,703**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

	Notes	Year ended 31 December	
		2024 AED '000	**2023** AED '000
Working capital changes:			
Inventories		(4,502)	(9,664)
Trade and other receivables		2,619	6,179
Trade and other payables		(66,858)	84,247
Cash generated from operations		**840,939**	**944,465**
Lease rentals received	16	351,676	346,143
Employees' end of service benefits paid	27	(3,651)	(5,510)
Net cash flows generated from operating activities		**1,188,964**	**1,285,098**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

	Notes	Year ended 31 December 2024 AED '000	 2023 AED '000
Investing activities			
Purchase of property, plant and equipment	11	(20,263)	(59,772)
Payments for capital work in progress		(196,413)	(120,602)
Additions to Intangibles		(40,058)	-
Proceeds from disposal of interest in joint ventures	13	17,468	-
Proceeds from disposal of interest in subsidiary	29.1	-	68,067
Dividend received from a joint venture	13	11,000	-
Dividends received from associates	12	10,288	11,565
Disposal of property, plant and equipment		-	1,458
Proceeds from (Investment in) long term deposits		4,771	(14,309)
Finance income received		36,102	59,610
Net cash flows used in investing activities		**(177,105)**	**(53,983)**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

	Notes	Year ended 31 December	
		2024 AED '000	2023 AED '000
Financing activities			
Interest bearing loans and borrowings drawn		104,883	-
Interest bearing loans and borrowings repaid		(104,343)	(358,566)
Sukuk purchased	26	(767,545)	(121,193)
Islamic financing arrangement repaid		-	(312,371)
Principal elements of lease payments	19	(51,219)	(43,672)
Finance cost paid on lease liabilities	19	(12,413)	(12,845)
Finance cost paid		(187,299)	(213,333)
Additional minority contribution in subsidiary		7,897	-
Dividends paid to shareholders	8	(441,016)	(383,666)
Repayment of shareholder contribution to NCI		(20,000)	-
Dividends paid to non-controlling interests		(27,832)	(48,966)
Net cash flows used in financing activities		**(1,498,887)**	**(1,494,612)**
Net decrease in cash and cash equivalents		**(487,028)**	**(263,497)**
Cash and cash equivalents at 1 January		1,509,804	1,773,301
Cash and cash equivalents at 31 December	**21**	**1,022,776**	**1,509,804**

1. General Information

National Central Cooling Company PJSC ("Tabreed" or the "Company" or the "parent") is registered in the United Arab Emirates as a Public Joint Stock Company pursuant to the UAE Federal Law No. (32) of 2021 and is listed on the Dubai Financial Market. The Company's registered office is located at P O Box 32444, Dubai, United Arab Emirates.

The principal activities of the Company and its subsidiaries (the "Group") are supply of chilled water, operation and maintenance of plants, construction of secondary networks, manufacturing of pre-insulated pipes and design and supervision consultancy. Activities of subsidiaries are described in note 9 to the consolidated financial statements.

The Group's non-convertible bonds and sukuk are listed in the London Stock Exchange (note 26). The Group has made social contributions of AED 0.4 million during the year (2023: AED 0.5 million).

The consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 13th February 2025

2.1 Basis of preparation and going concern

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), IFRIC Interpretations and applicable requirements of the laws in the UAE.

The consolidated financial statements are prepared under the historical cost basis, except for derivative financial instruments which are measured at fair value. The consolidated financial statements have been presented in United Arab Emirates Dirham ("AED") which is the reporting currency of the Group and the functional currency of the Company. All values are rounded to the nearest thousand (AED '000) except when otherwise indicated.

2.1 Basis of preparation and going concern (continued)

As at 31 December 2024, the Group's current liabilities exceeds the current assets by AED 2,265 million. The Group carries loans and borrowings, Islamic financing arrangements and non-convertible sukuk totalling to AED 3,498 million due for settlement during 2025. These factors indicate the existence of uncertainty, which may cast a doubt on the Group's ability to continue as a going concern. The Group is actively engaged with financial institutions and debt market stakeholders in evaluating refinancing options to secure long-term additional funding or restructure existing debt to meet these financial obligations during 2025. In light of the above, management assessed the Group's ability to continue as a going concern for the next 12 months from the date of issuance of the consolidated financial statements and concluded that the Group will continue as a going concern. As a result, the consolidated financial statements have been prepared on a going concern basis.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (together the "Group") as at 31 December 2024 over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

2.2 Basis of consolidation (continued)

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses the control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.2 Basis of consolidation (continued)

For changes in ownership interests the Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in retained earnings within equity attributable to owners.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in consolidated statement of profit or loss.

This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to consolidate statement of profit or loss.

2.3 Material accounting policies

The principal accounting policies applied by the Group in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.3.1 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

In business combination achieved in stages, the Group remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognise the resulting gain or loss, if any, in the consolidated profit or loss. If the Group have previously recognised changes in the value of its equity interest in the acquiree in other comprehensive income, it will reclassify this to consolidated profit or loss on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the consolidated statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in consolidated statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in consolidated statement of profit or loss.

2.3.1 Business combinations and goodwill (continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS Accounting Standards.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

2.3.2 Revenue recognition

The Group recognizes revenue from the following major sources:

- Supply of chilled water
- Rendering of services
- Interest income

The Group recognizes revenue from contracts with customers based on the five-step model set out in IFRS 15:

Step 1
Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2
Identify the performance obligations in the contract: A performance obligation is a unit of account and a promise in a contract with a customer to transfer a good or service to the customer.

Step 3
Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties

Step 4
Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

2.3.2 Revenue recognition (continued)

Step 5

Recognize revenue when (or as) the entity satisfies a performance obligation: The Group satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as and when the Group performs; or
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

For performance obligations where none of the above conditions are met, revenue is recognized at the point in time at which the performance obligation is satisfied.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of allowances and rebates. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below.

(a) Supply of chilled water

Revenue from supply of chilled water comprises the following principle services:

Capacity revenue: represents availability of the service and performance obligation is satisfied over time as the customers make use of the service and network. The billing is done monthly in arrears.

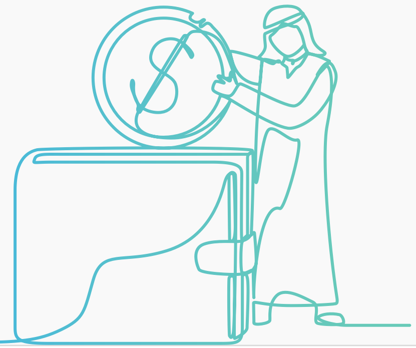
Consumption revenue: represents revenue from consumption of the output of assets used by the customers. Revenue is recognised over time.
The billing is done monthly in arrears.

(b) Rendering of services (value chain business)

This mainly represents supervision and design services provided to customers. Revenue from services is recognised as services are rendered.
Revenue is recognised over time using the output method.

(c) Interest income

Interest income including interest on finance lease receivable is recognised as the interest accrues using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instruments to the net carrying amount of the financial asset.
For details on finance lease refer to note 16. Finance income on finance lease receivables is included in revenue due to its operating nature.



2.3.3. Foreign currencies

The consolidated financial statements are presented in AED, which is the parent Company's functional and presentation currency. The functional currency is the currency of the primary economic environment in which an entity operates. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented United Arab Emirates Dirham (AED), which is functional currency of the company and its material subsidiaries.

(b) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date.

All differences are taken to the consolidated statement of profit or loss with the exception of monetary items that provide an effective hedge of a net investment in a foreign operation. These are recognised in the consolidated statement of comprehensive income until the disposal of the net investment, at which time the cumulative amount is reclassified/recycled to the consolidated statement of profit or loss.

2.3.3. Foreign currencies

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(c) Group companies

The assets and liabilities of foreign operations are translated into AED at the rate of exchange ruling at the reporting date and their statement of profit or loss are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are recognised in the statement of comprehensive income. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the consolidated statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

2.3.4 Capital work in progress

Capital work in progress is recorded at cost incurred by the Group for the construction of the plants and distribution network, less impairment. Capital work-in-progress is not depreciated. Allocated costs directly attributable to the construction of the assets are capitalised. The capital work in progress is transferred to the appropriate asset category and depreciated in accordance with the Group's policies when construction of the asset is completed, and it is available for use

2.3.5 Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds and the redemption value is recognised in the consolidated statement of profit or loss over the term of the borrowings using the effective interest method. Borrowings are classified as non-current liabilities when the Group has an unconditional right to defer settlement of the liabilities for more than twelve months after the reporting date.

Borrowing costs (including finance costs on lease liabilities) that are directly attributable to the acquisition or construction of a qualifying asset are capitalised (net of interest income on temporary investment of borrowings) as part of the cost of the asset until the asset is commissioned for use. Borrowing costs in respect of completed and suspended projects or not attributable to qualifying assets are expensed in the period in which they are incurred. During the year ended 31 December 2024, no borrowing cost was capitalised (2023: nil).

2.3.6 Trade and other payables

Trade payables are obligations to pay for goods or service that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.3.7 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Such cost includes the cost of replacing part of the property, plant and equipment when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in consolidated statement of profit or loss as incurred. Land is not depreciated. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

• Plant and related assets	30 years
• Buildings	50 years
• Distribution networks	50 years
• Furniture and fixtures	3 to 10 years
• Office equipment and instruments	3 to 15 years
• Motor vehicles	4 to 5 years

2.3.7 Property, plant and equipment (continued)

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

Depreciation of these assets commences when the assets are ready for their intended use. Cessation of depreciation occurs on the disposal or retirement of the item of property, plant and equipment.

The Group performs regular major overhauls of equipment of its district cooling plants. When each major overhaul is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. The cost recognised is depreciated over the period till the next planned major overhaul.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in consolidated statement of profit or loss in the year the asset is derecognised

2.3.8. Leases

The Group as a lessee

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Variable lease payments that depend on an index or a rate include, for example, payments linked to a consumer price index, payments linked to a benchmark interest rate (such as LIBOR) or payments that vary to reflect changes in market rental rates are included in the lease payments and are remeasured using the prevailing index or rate at the measurement date.

2.3.8. Leases (Continued)

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment. Right-of-use assets relate to land, plant, building and motor vehicles.

The Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

2.3.8. Leases (Continued)

Operating lease

Leases where the Group does not transfer substantially all the risks and benefits of ownership of the asset to the customers are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned. Where the Group determines that the cooling service agreements to contain an operating lease, capacity payments are recognised as operating lease rentals on a systematic basis to the extent that capacity has been made available to the customers during the year. Rental income arising from operating leases on chilled water plants is accounted for on a straight-line basis over the lease terms and included in revenue due to its operating nature.

Finance lease

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset. The Group reviews the contractual arrangements it enters into with its customers. In instances where the contract conveys the right to control the use of the identified asset for substantially all the economic benefits and the right to direct the use, such contracts are accounted for as a finance lease. The amounts due from the lessee are recorded in the statement of financial position as financial assets (finance lease receivables) and are carried at the amount of the net investment in the lease after making provision for impairment.

2.3.8. Leases (Continued)

Finance lease (continued)

Lease payments are payments made by a lessee to a lessor relating to the right to use an underlying asset during the lease term, comprising the fixed payments (including in-substance fixed payments), less any lease incentives (for e.g. reimbursement of maintenance fee); variable lease payments that depend on an index or a rate; the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Variable lease payments that depend on an index or a rate include, for example, payments linked to a consumer price index, payments linked to a benchmark interest rate or payments that vary to reflect changes in market rental rates. The payments are included in the lease payments and are measured/remeasured using the prevailing index or rate at the measurement date (e.g. lease commencement date for initial measurement or at the time when new CPI rate is available).

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Group has the option, under some of its leases to lease the assets for additional terms of three to five years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

2.3.9 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the consolidated carrying amount of the investment and goodwill is neither amortised nor individually tested for impairment. The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associates and joint ventures. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income.

In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

2.3.9 Investments in associates and joint ventures (continued)

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of profit or loss outside operating profit. The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss in the consolidated statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in consolidated statement of profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to consolidated statement of profit or loss where appropriate

2.3.10 Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the consolidated statement of profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration is recognised in retained earnings

2.3.11 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

2.3.11 Impairment of non-financial assets (continued)

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations cover a period to the end of useful life of the assets.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the assets' or cash-generating units' recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment, annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating units, to which the goodwill is allocated. Where the recoverable amount of the cash-generating units is less than their carrying amount an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods. The Group performs its annual impairment test of goodwill as at 31 December.

2.3.12 Financial instruments

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

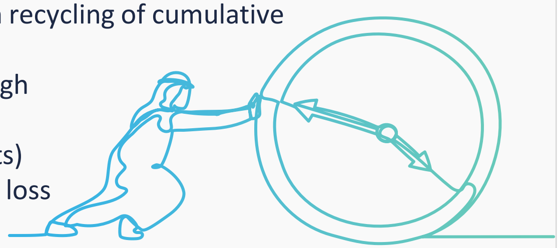
The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

a) Financial assets at amortised cost (debt instruments, cash and cash equivalents and trade receivables)
b) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
d) Financial assets at fair value through profit or loss



2.3.12 Financial instruments (continued)

The Group has the following financial assets:

Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

a) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the consolidated statement of profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost include a certain portion of trade and other receivables, contract assets, finance lease receivables, due from related parties, and cash and bank balances etc.

Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

2.3.12 Financial instruments (continued)

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Financial assets at fair value through OCI (debt instruments)

A financial asset is measured at fair value through other comprehensive income, if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through OCI (debt instruments) (continued)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the consolidated statement of comprehensive income and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

2.3.12 Financial instruments (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.

This category includes quoted and unquoted equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on quoted and unquoted equity investments are recognised under investment and other income in the consolidated statement of profit or loss when the right of payment has been established.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.3.12 Financial instruments (continued)

Impairment of financial assets (continued)

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset.

Write-off

Receivables are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

2.3.12 Financial instruments (continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

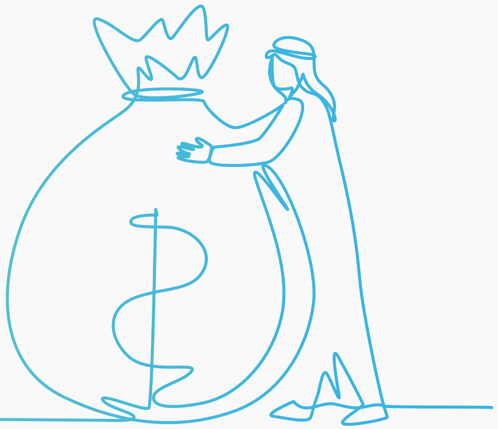
All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, due to related parties, lease liabilities and interest bearing loans and borrowings, Islamic financing arrangements and non-convertible Bonds and Sukuks etc.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)



2.3.12 Financial instruments (continued)

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in consolidated statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss.

This category generally applies to a certain portion of trade and other payables, due to related parties, lease liabilities and borrowings.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Fair value measurement principles

For investments and derivatives quoted in an active market, fair value is determined by reference to quoted market prices. The fair values of investments in mutual funds or similar investment vehicles are based on the last net asset value published by the fund manager. For other investments including treasury bills, a reasonable estimate of the fair value is determined by reference to the price of recent market transactions involving such investments, current market value of instruments which are substantially the same or is based on the expected discounted cash flows.

The fair value of unquoted investments, forward exchange contracts, interest rate swaps and options (if any) is determined by reference to discounted cash flows, pricing models or over-the-counter quotes.

2.3.12 Financial instruments (continued)

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amounts reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS Accounting Standards, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group always recognises lifetime ECL for trade receivables, contract assets and retention receivables, using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.3.12 Financial instruments (continued)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- When there is a breach of financial covenants by the counterparty; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Significant increase in credit risk

The Group monitors all financial assets and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment including forward-looking information.

2.3.13 Inventories

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.3.14 Provisions

(a) General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of consolidated statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.3.14 Provisions (continued)

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. Management reviews its contracts annually.

(b) Decommissioning liability

The Group records a provision for decommissioning costs of removing an item of property, plant and equipment and restoring the site on which the item was located to its original condition. Decommissioning costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the relevant asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the consolidated statement of profit or loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost of the asset.

(c) Contingent liabilities recognised in a business combination

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less (when appropriate) cumulative amortisation recognised in accordance with the requirements for revenue recognition.

2.3.15 Employees' end of service benefits

The Group provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

With respect to its national employees, the Group makes contributions to the relevant UAE Government pension scheme calculated as a percentage of the employees' salaries. The obligations under these schemes are limited to these contributions, which are expensed when due.

2.3.16 Derivative financial instruments

A derivative financial instrument is a financial contract between two parties where payments are dependent upon movements in the price of one or more underlying financial instrument, reference rate or index.

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate risks, including interest rate swaps.

Derivative financial instruments are initially measured at fair value at trade date and are subsequently re- measured at fair value at the end of each reporting period. All derivatives are carried at their fair values as assets where the fair values are positive and as liabilities where the fair values are negative. Derivative assets and liabilities arising from different transactions are offset only if the transactions are with the same counterparty, a legal right of offset exists, and the parties intend to settle the cash flows on a net basis.

Derivative fair values are determined from quoted prices in active markets where available. Where there is no active market for an instrument, fair value is derived from prices for the derivative's components using appropriate pricing or valuation models.

2.3.16 Derivative financial instruments (continued)

The method of recognising fair value gains and losses depends on whether derivatives are held for trading or are designated as hedging instruments, and if the latter, the nature of the risks being hedged. All gains and losses from changes in the fair value of derivatives held for trading are recognised in the consolidated statement of profit or loss under 'Net gain from dealing in foreign currencies and derivatives'.

Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 Financial Instruments (e.g. financial liabilities) are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

2.3.17 Hedge accounting

Derivatives designated as hedges are classified as either: (i) fair value hedges which hedge the exposure to changes in the fair value of a recognised asset or liability; (ii) cash flow hedges which hedge the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction; or (iii) a hedge of net investment which are accounted similarly to a cash flow hedge. Hedge accounting is applied to derivatives designated as hedging instruments in a fair value or cash flow, provided the criteria are met.

At the inception of a hedging relationship, to qualify for hedge accounting, the Group documents the relationship between the hedging instruments and the hedged items as well as its risk management objective and its strategy for undertaking the hedge. The Group also requires a documented assessment, both at hedge inception and on an ongoing basis, of whether or not the hedging instruments, primarily derivatives, that are used in hedging transactions are highly effective in offsetting the changes attributable to the hedged risks in the fair values or cash flows of the hedged items.

2.3.17 Hedge accounting (continued)

(a) Fair value hedges

The fair value change on qualifying hedging instruments is recognised in profit or loss except when the hedging instrument hedges an equity instrument designated at FVTOCI in which case it is recognised in OCI. The Group has not designated fair value hedge relationships where the hedging instrument hedges an equity instrument designated at FVTOCI.

The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in profit or loss. For debt instruments measured at FVTOCI, the carrying amount is not adjusted as it is already at fair value, but the part of the fair value gain or loss on the hedged item associated with the hedged risk is recognised in profit or loss instead of OCI. When the hedged item is an equity instrument designated at FVTOCI, the hedging gain/loss remains in OCI to match that of the hedging instrument.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. The fair value adjustment to the carrying amount of hedged items for which the EIR method is used (i.e. debt instruments measured at amortised cost or at FVTOCI) arising from the hedged risk is amortised to profit or loss commencing no later than the date when hedge accounting is discontinued.

(b) Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in the cash flow hedging reserve, a separate component of OCI, limited to the cumulative change in fair value of the hedged item from inception of the hedge less any amounts recycled to profit or loss.

2.3.17 Hedge accounting (continued)

Amounts previously recognised in OCI and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. If the Group no longer expects the transaction to occur that amount is immediately reclassified to profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised, or where the occurrence of the designated hedged forecast transaction is no longer considered to be highly probable. The discontinuation is accounted for prospectively. Any gain/loss recognised in OCI and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain/loss accumulated in equity is reclassified and recognised immediately in profit or loss.

(c) Hedge effectiveness testing

To qualify for hedge accounting, the Group requires that at the inception of the hedge and on an ongoing basis:

The hedging relationship consists only of eligible hedging instruments and eligible hedged items;

- At inception of the hedging relationship there is formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge;
- The hedging relationship meets all of the hedge effectiveness requirements, i.e.;
- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

2.3.17 Hedge accounting (continued)

(d) Derivatives that do not qualify for hedge accounting

All gains and losses from changes in the fair values of derivatives that do not qualify for hedge accounting are recognised immediately in consolidated statement of profit or loss.-

2.3.18 Fair value measurement

The Group measures financial instruments, such as, derivatives, and non-financial assets such as asset held for sale, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in note 34.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2.3.18 Fair value measurement (continued)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The management determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement, such as asset held for sale. External valuers are involved for valuation of significant assets, such as land. Selection criteria for valuers include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

The management, in conjunction with the Group's external valuers, also compares each the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

2.3.18 Fair value measurement (continued)

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. An analysis of fair values of financial instruments and further details as to how they are measured are provided in note 34.

2.3.19 Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

2.3.19 Current versus non-current classification (continued)

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

2.3.20 Cash dividend and non-cash distribution to equity holders of the parent

The Group recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised. As per the laws and regulation applicable in UAE, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Gain or loss on re-measurement is recognised in consolidated statement of profit or loss and then the revalued amount of the asset is recognised as debit in equity. Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the consolidated statement of profit or loss.

2.3.21 Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Receivables include trade receivables for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value (approximately transaction price) and subsequently measured at amortised cost using the effective interest method, less loss provision. A provision for impairment of trade receivables is established based on the expected lifetime losses to be recognised from initial recognition of the receivables.

When a trade and contract receivables are uncollectible, it is written off against the provision for impairment account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the consolidated income statement.

2.3.22 Intangible assets

2.3.22 (i) Customer contracts

Customer contracts acquired in the business combination have been initially recognised at their fair value at the acquisition date. The valuation technique adopted has been the multi-period excess earning method. Subsequent to initial recognition, customer contracts are reported at cost less accumulated amortisation and accumulated impairment losses, if any.

2.3.22 Intangible assets (continued)

Amortisation of customer contracts is recognised in the consolidated statement of profit or loss on a straight-line basis over their estimated useful lives. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate. Amortization is calculated on a straight-line basis over the life of the contracts in the range of 25 to 50 years.

2.3.22 (ii) Other contracts

Other contracts mainly represent contractual rights, acquired in the business combination which have been initially recognised at their fair value at the acquisition date. The valuation technique adopted has been the multi-period excess earning method. Subsequent to initial recognition, these contracts are reported at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation of other contracts is recognised in the consolidated statement of profit or loss on a straight-line basis over their estimated useful lives of 25 years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate

2.3.23 Assets classified as held for sale and discontinued operation

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the sale, excluding the finance costs and income tax expense.

2.3.23 Assets classified as held for sale and discontinued operation (continued)

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of Operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operation, if any, is presented separately in the consolidated statement of profit or loss.

2.3.24 Value added tax (VAT)

Output value added tax related to sales is payable to tax authorities on the earlier of (a) collection of receivables from customers or (b) delivery of goods or services to customers. Input VAT is generally recoverable against output VAT upon receipt of the VAT invoice. The tax authorities permit the settlement of VAT on a net basis. VAT related to sales and purchases is recognised in the consolidated statement of financial position on a net basis. Where provision has been made for the ECL of receivables, the impairment loss is recorded for the gross amount of the debtor, including VAT.

2.3.25 Segment reporting

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Also, the Group's financing (including finance costs, finance income and other income) are managed on a Group basis and are not allocated to operating segments.

2.3.26 Taxation

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

2.3.26 Taxation (continued)

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and

2.3.26 Taxation (continued)

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.3.27 Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its consolidated financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its consolidated financial statements but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

2.3.28 Earnings per share

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

2.4 Change in material accounting polices – new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new standards, interpretations and amendments effective as of 1 January 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback
- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

These amendments had no material impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

UAE Corporate Tax Law disclosures

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023.

Decision No. 116 of 2022 (published in December 2022 and considered to be effective from 16 January 2023) specifies that taxable income not exceeding AED 375,000 would be subject to a 0% UAE CT rate, and taxable income exceeding AED 375,000 would be subject to the 9% UAE CT rate. With the publication of this Decision, the UAE CT Law is considered to have been substantively enacted for the purposes of accounting for Income Taxes.

Subsequently, the UAE CT Law has been supplemented by a number of Decisions of the Cabinet of Ministers of the UAE (Decisions). Such Decisions and other interpretive guidance of the UAE Federal Tax Authority provide important details relating to the interpretation of the UAE CT Law and are required to fully evaluate the impact of the UAE CT Law on the Group.

2.4 Change in material accounting polices – new and amended standards and interpretations (continued)

The Group is subject to the provisions of the UAE CT Law with effect from 1 January 2024, and current taxes are accounted for as appropriate in the consolidated financial statements (note 14).

International Tax Reform - Pillar Two model rules

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) published the Pillar Two Anti Global Base Erosion Rules ("GloBE Rules") designed to address the tax challenges arising from the digitalisation of the global economy.

The Group is currently not in scope of Pillar Two legislation as its consolidated revenue does not exceed the €750 million threshold.

UAE, where the headquarter of the Group is based, published Federal Decree-Law No. 60 of 2023, amending specific provisions of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses on 24 November 2023, as part of its commitment to the OECD guidelines. The amendments introduced by Federal Decree-Law No. 60 of 2023 are intended to prepare for the introduction of the BEPS 2.0 Pillar Two Rules. The implementation of these rules in the UAE is still pending additional Cabinet Decisions, and the specific form and manner of implementation are yet to be determined.

It is expected that the UAE will implement the Domestic Minimum Top-up Tax (DMTT) in 2025. The Group will continue to monitor the legislation and assess the need for any potential top-up tax when the legislation becomes effective, in accordance with the IAS 12 Amendments and considering the transitional Country-by-Country (CbC) safe harbour relief.

2.5 Standards and Interpretations in issue but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- Lack of exchangeability – Amendments to IAS 21
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

The Group does not expect that the adoption of these new and amended standards and interpretations will have a material impact on its consolidated financial statements.

2.6 Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Disclosures relating to the Group's exposure to risks and uncertainties include:

- Capital management — Note 33
- Financial instruments risk management and policies — Note 33
- Sensitivity analysis disclosures — Note 33

2.6.1 Judgments

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) Determining lease terms

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Management determines whether an arrangement is, or contains, a lease based on the substance of the arrangement at inception date whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. The Company enters into Customer Cooling Services Agreements (the "Agreements") with its customers. To the extent such agreements are determined to contain a lease whether the Company has retained or transferred the significant risks and rewards of ownership of the related assets.

The following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

2.6.1 Judgments (continued)

Lessor accounting policy

Under the new guidance provided by IFRS 16, the definition of lease payments has been changed to include the variable lease payments that are based on an index or a rate as part of the net lease investment.

(c) Business combinations

Accounting for the acquisition of a business requires the allocation of the purchase price to various assets and liabilities of the acquired business. For most assets and liabilities, the purchase price allocation is accomplished by recording the asset or liability at its estimated fair value. Determining the fair value of assets acquired and liabilities assumed requires judgment by management and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates and the useful lives of assets.

The Group primarily considers the following information and criteria when determining whether it has control over an entity:

- Governance arrangements: voting rights and whether the group is represented in the governing bodies, majority rules and veto rights etc;
- The nature of substantive or protective rights granted to shareholders, relating to the entity's relevant activities;
- Rules for appointing key management personnel; and
- Whether the group is exposed, or has rights, to variable returns from its involvement with the entity etc.

2.6.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the consolidated financial statements when they occur.

(a) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (ECL) on financial assets measured at amortised cost. The amount of expected credit losses is updated at the end of each reporting period to reflect changes in credit risk since initial recognition of the respective financial instrument.

- The Group recognises expected credit loss for trade receivables, finance lease receivable, due from related parties and cash and bank balances, using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

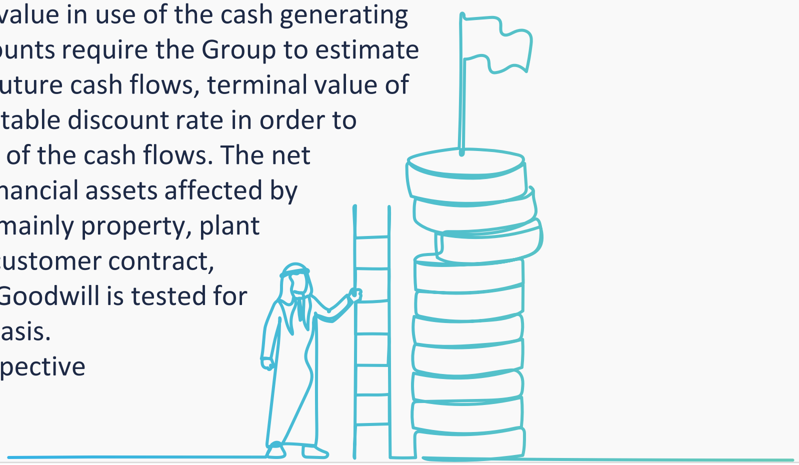
2.6.2 Estimates and assumptions (continued)

At the reporting date, gross trade receivables and amounts due from related parties amounted to AED 444.2 million (2023: AED 443.6 million) with provision for impairment (expected credit losses) of AED 27.6 million (2023: AED 27.4 million). During the year, the Group recognised provision for expected credit losses in the consolidated statement of profit or loss amounting to AED 0.9 million (2023: provision of AED 3.9 million).

At the reporting date, gross finance lease receivables were AED 2,819.9 million (2023: AED 2,892.7 million) and provision for impairment at 31 December 2024 was AED 36.7 million (2023: AED 36.7 million).

(b) Impairment of non-financial assets

Management determines at each reporting date whether there are any indicators of impairment relating to the Group's cash generating units. A broad range of internal and external factors is considered as part of the indicator review process, where necessary, an impairment assessment is performed. Impairment testing requires an estimation of the fair values less cost to sell and value in use of the cash generating units. The recoverable amounts require the Group to estimate the amount and timing of future cash flows, terminal value of the assets and choose a suitable discount rate in order to calculate the present value of the cash flows. The net carrying amounts of non-financial assets affected by the above estimations are mainly property, plant and equipment, goodwill, customer contract, and other contract assets. Goodwill is tested for impairment on an annual basis. Goodwill is allocated to respective cash generating units.



3. REVENUES

	Year ended 31 December 2024 AED '000	Year ended 31 December 2023 AED '000
Supply of chilled water	2,024,617	1,960,320
Value chain business	87,567	82,289
Revenue from contracts with customers	**2,112,184**	**2,042,609**
Operating lease income	82,782	77,276
Finance lease income (Note 16)	238,803	2,95,590
Lease income	**321,585**	**372,866**
	2,433,769	**2,415,475**

Revenue expected to be recognized in future related to performance obligation that are unsatisfied (or partially unsatisfied):

	Year ended 31 December 2024 AED '000	Year ended 31 December 2023 AED '000
Within one year	772,718	783,776
After one but no more than five years	2,977,782	3,033,522
More than five years	12,298,371	12,556,057
	16,048,871	**16,373,355**

The unsatisfied performance obligations that are part of value chain business revenue are expected to have a duration of one year or less. Hence revenue expected to be recognized in future related to there performance obligations is not disclosed.

	Year ended 31 December 2024 AED '000	Year ended 31 December 2023 AED '000
Timing of transfer of goods and services:		
At a point in time	41,093	45,074
Over time	2,071,091	1,997,535
	2,112,184	**2,042,609**

4. OPERATING SEGMENTS

For management purposes, the Group is organised into business units based on their products and services. The two reportable operating segments are as follows:

- The 'Chilled water' segment constructs, owns, assembles, installs, operates and maintains cooling and conditioning systems. In addition, the segment distributes and sells chilled water for use in district cooling technologies.
- The 'Value chain business' segment is involved in ancillary activities relating to the expansion of the Group's chilled water business.

	For the year ended 31 December 2024				For the year ended 31 December 2023			
	Chilled water AED '000	Value chain business AED '000	Eliminations AED '000	Total AED '000	Chilled water AED '000	Value chain business AED '000	Eliminations AED '000	Total AED '000
Revenues								
External revenue	2,346,202	87,567	-	2,433,769	2,333,188	82,287	-	2,415,475
Inter–segment revenue	-	58,808	(58,808)	-	-	60,841	(60,841)	-
Total revenues	**2,346,202**	**146,375**	**(58,808)**	**2,433,769**	**2,333,188**	**143,128**	**(60,841)**	**2,415,475**
Direct costs	(1,311,644)	(76,312)	35,222	(1,352,734)	(1,286,948)	(84,475)	38,033	(1,333,390)
Gross profit	**1,034,558**	**70,063**	**(23,586)**	**1,081,035**	**1,046,240**	**58,653**	**(22,808)**	**1,082,085**
Provision for impairment of trade receivables	(906)	-	-	(906)	(3,572)	(323)	-	(3,895)
Administrative and other expenses	(279,066)	(25,500)	17,519	(287,047)	(269,429)	(19,511)	16,494	(272,446)
Operating profit	**754,586**	**44,563**	**(6,067)**	**793,082**	**773,239**	**38,819**	**(6,314)**	**805,744**
Finance costs	(213,506)	(1,757)	-	(215,263)	(263,311)	(1,312)	-	(264,623)
Finance income	40,812	81	-	40,893	60,428	112	-	60,540
Other gains and losses, net	5,965	-	-	5,965	148,770	-	-	148,770
Share of results of associates and joint ventures	37,598	-	-	37,598	34,923	-	-	34,923
Profit before tax	**625,455**	**42,887**	**(6,067)**	**662,275**	**754,049**	**37,619**	**(6,314)**	**785,354**

4. OPERATING SEGMENTS (CONTINUED)

- Inter-segment transactions are eliminated on consolidation.
- Segment results include an amount of depreciation and amortisation allocated to the operating segments as follows:

	For the year ended 31 December 2024			For the year ended 31 December 2023		
	Chilled water AED'000	**Value chain business** AED'000	**Total** AED'000	**Chilled water** AED'000	**Value chain business** AED'000	**Total** AED'000
Depreciation on property, plant and equipment (note 11)	197,748	4,917	202,665	204,673	4,597	209,270
Depreciation on right-of-use asset (note 17)	29,456	1,621	31,077	27,935	1,742	29,677
	227,204	**6,538**	**233,742**	**232,608**	**6,339**	**238,947**

Segment assets and liabilities are as follows:

	2024			2023		
	Chilled water AED'000	**Value chain business** AED'000	**Total** AED'000	**Chilled water** AED'000	**Value chain business** AED'000	**Total** AED'000
Other segment assets	13,377,970	117,147	13,495,117	14,103,113	114,620	14,217,733
Investments in associates	523,839	-	523,839	497,637	-	497,637
Investment in joint ventures	98,581	-	98,581	124,753	-	124,753
Total assets	**14,000,390**	**117,147**	**14,117,537**	**14,725,503**	**114,620**	**14,840,123**
Segment liabilities	7,028,326	127,341	7,155,667	7,786,249	110,632	7,896,881
Total liabilities	**7,028,326**	**127,341**	**7,155,667**	**7,786,249**	**110,632**	**7,896,881**

4. OPERATING SEGMENTS (CONTINUED)

The table below illustrates the capital expenditures added during the year:

	2024			2023		
	Chilled water AED'000	**Value chain business** AED'000	**Total** AED'000	**Chilled water** AED'000	**Value chain business** AED'000	**Total** AED'000
Capital expenditure:						
Property, plant and equipment (Note 11)	13,169	7,094	20,263	55,265	4,507	59,772
Capital work in progress (Note 10)	254,369	-	254,369	174,574	-	174,574

Geographic information

The following table presents certain non-current assets and revenue information relating to the Group based on geographical location of the operating units:

	Revenue		Non-current assets	
	2024 AED '000	**2023** AED '000	**2024** AED '000	**2023** AED '000
United Arab Emirates	2,307,276	2,294,062	11,441,059	11,718,635
Others	126,493	121,413	625,860	491,361
	2,433,769	**2,415,475**	**12,066,919**	**12,209,996**

4. OPERATING SEGMENTS (CONTINUED)

Revenue from external customers

The following table provides information relating to the Group's major customers, which individually contribute more than 44 % (2023: 42%) towards the Group's revenue.

	2024 AED'000	2023 AED'000
Chilled water segment:		
Customer 1	**394,789**	341,736
Customer 2	**389,833**	375,425
Customer 3	**285,106**	296,620
	1,069,728	1,013,781

5. FINANCE COSTS

	For the year ended 31 December 2024 AED '000	For the year ended 31 December 2023 AED '000
Interest charged to consolidated statement of profit or loss during the year	215,263	264,623
Interest charged to consolidated statement of profit or loss comprises of:		
Interest on interest bearing loans and borrowings	48,441	60,285
Profit on Sukuk	64,451	101,005
Interest on bonds	45,913	45,911
Profit on Islamic financing arrangements	13,952	18,509
Amortisation of transaction costs	14,242	20,225
Finance cost related to lease liabilities (Note 19)	12,413	12,845
Other finance costs	15,851	5,843
	215,263	**264,623**

6. PROFIT FROM OPERATIONS

6.1 Direct costs

	For the year ended 31 December 2024 AED '000	For the year ended 31 December 2023 AED '000
Cost of inventories recognized as an expense (i)	60,463	64,008
Depreciation of property, plant and equipment (Note 11)	194,237	201,821
Depreciation of right-of-use assets (Note 17)	17,173	15,604
Amortisation of intangible assets (Note 15)	112,181	102,645
Utility costs	784,555	768,540
Purchase of chilled water from a related party (Note 30)	65,026	64,170
Staff costs (Note 6.3)	102,949	96,539
Others	16,150	20,063
	1,352,734	**1,333,390**

(i) As at 31 December, the inventory balance represents stores and spares which are utilised for repairs and maintenance of the plants managed by the Group.

6.2 Administrative and other expenses

	For the year ended 31 December 2024 AED '000	For the year ended 31 December 2023 AED '000
Staff costs (Note 6.3)	193,018	182,461
Depreciation of property, plant and equipment (Note 11)	8,428	7,449
Depreciation of right-of-use assets (Note 17)	13,904	14,073
Other expenses (i)	71,697	68,463
	287,047	**272,446**

(i) Included in the other expenses is fees incurred by the Group towards the assurance services with the Group's auditors, as follows:

	For the year ended 31 December 2024 AED '000	For the year ended 31 December 2023 AED '000
Fees to Ernst and Young, UAE		
Fees for Auditing the statutory Financial Statements of the parent and controlled entities	1,223	1,076
Fees for assurance services required by legislation or contractual arrangements, to be provided by auditors	435	472
Total fees to Ernst and Young	**1,658**	**1,548**

6. PROFIT FROM OPERATIONS (CONTINUED)

6.3 Staff costs

	2024 AED '000	2023 AED '000
Salaries, benefits and allowances	287,395	270,938
Employees' end of service benefits (Note 27)	8,572	8,062
	295,967	**279,000**
Staff costs are allocated as follows:		
Direct costs (Note 6.1)	102,949	96,539
Administrative and other expenses (Note 6.2)	193,018	182,461
	295,967	**279,000**

6.4 Other gains and losses, net

Other gains and losses consist of non-operating income received by the group during the year 2024 including gain or loss on disposal of investments. During 2023, the company recognised a gain on deemed disposal of stake in Saudi Tabreed (note 12), early settlement of debt of its subsidiary (note 24 & 25) and on 50% disposal of stake in a subsidiary (note 13), recognized in the consolidated statement of profit and loss for the year ended 31 December 2023.

7. BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

Basic earnings per share are calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following reflects the profit and share data used in the basic and diluted earnings per share computations:

	For the year ended 31 December 2024 AED '000	For the year ended 31 December 2023 AED '000
Profit for the year attributable to ordinary equity holders of the parent for basic earnings (AED '000)	570,219	431,141
Weighted average number of shares (excluding treasury shares) outstanding during the year ('000)	2,841,956	2,841,965
Total basic and diluted earnings per share (AED)	**0.20**	**0.15**

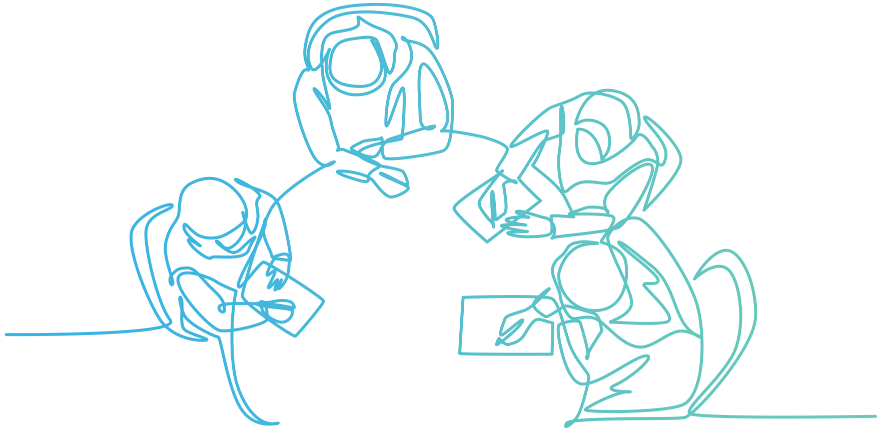
The Company does not have any instruments which would have a dilutive impact on earnings per share. Therefore, basic and diluted earnings per share are same for the years ended 31 December 2024 and 2023.

8. DIVIDENDS AND BOARD REMUNERATION

In 2024, the Board of Directors proposed the distribution of cash dividends of 15.5 fils per share in respect of the fiscal year ended 31 December 2023. The shareholders at the Annual General Assembly Meeting held on 19 March 2024 approved the dividend. Accordingly, dividend amounting to AED 441.0 million was paid on 16 April 2024.

In 2023, the Board of Directors proposed the distribution of cash dividends of 13.5 fils per share in respect of the fiscal year ended 31 December 2022. The shareholders at the Annual General Assembly Meeting held on 20 March 2023 approved the dividend. Accordingly, dividend amounting to AED 383.7 million was paid on 17 April 2023.

Furthermore, Board of Directors' remuneration of AED 8.6 million for the year ended 31 December 2023 was also approved at the Annual General Meeting held on 19 March 2024. Board remuneration of AED 8.6 million for the year ended 31 December 2022 was approved at the previous Annual General Meeting held on 20 March 2023.



9. SUBSIDIARIES

The consolidated financial statements include the financial statements of the Company and the subsidiaries listed in the following table:

Chilled water segment	Country of incorporation	Percentage of holding		Principal activities
		2024	2023	
National Central Cooling Company Ras Al Khaimah LLC	UAE	100	100	Sale of chilled water
Summit District Cooling LLC	UAE	100	100	Sale of chilled water
Bahrain District Cooling Company BSC (C)	Bahrain	99.8	99.8	Sale of chilled water
Tabreed Oman SAOC	Oman	60.5	60.5	Sale of chilled water
Prime District Cooling LLC	UAE	75	75	Sale of chilled water
S&T Cool District Cooling Company - Sole Proprietorship LLC	UAE	100	100	Sale of chilled water
Tabreed Amaravati District Cooling Private Limited	India	75	75	Sale of chilled water
Tabreed Capital Med for Infrastructure and Central Cooling Services LLD	Egypt	100	100	Sale of chilled water
Kattameya D5 Infrastructure and Central Cooling Services LLD	Egypt	60	60	Sale of chilled water
Tabreed Al Mouj SPC	Oman	61	61	Sale of chilled water
Downtown DCP LLC	UAE	80	80	Sale of chilled water
Tabreed Sustainable City Limited	UAE	100	100	Sale of chilled water
Saadiyat District Cooling LLC	UAE	100	100	Sale of chilled water
Saadiyat Cooling LLC	UAE	100	100	Sale of chilled water
Business District Cooling Investment LLC (ii)	UAE	0	100	Sale of chilled water
Al Wajeez Development Company PJSC	UAE	100	100	Sale of chilled water

9. SUBSIDIARIES (CONTINUED)

Value chain business segment:	Country of incorporation	2024	2023	Principal activities
Gulf Energy System Company LLC	UAE	100	100	Construction of secondary networks
Tabreed Operation & Maintenance Zones Cooling Stations Company LLC	UAE	100	100	Operation and maintenance of plants
Emirates Preinsulated Pipes Industries LLC	UAE	65.2	65.2	Manufacturing of pre-insulated pipes
Installation Integrity 2000 LLC (ii)	UAE	0	100	Commissioning and engineering services
CoolTech Energy Water Treatment LLC	UAE	100	100	Water treatment services and sale chilled water related products
Sahara Cooling and Air-Conditioning LLC	UAE	51	51	Supervision services
Tasleem Metering and Payment – Collection Sole Proprietorship LLC	UAE	100	100	Billing and collection of chilled water charges
Cooltech Water Treatment LLC	UAE	100	100	Water treatment services and sale chilled water related
Cooltech Water Service L.L.C.	UAE	100	100	Water treatment services and sale chilled water related
Tabreed Energy Service L.L.C.	UAE	100	100	Building energy efficiency service

9. SUBSIDIARIES (CONTINUED)

Others – Unallocated:	Country of incorporation	2024	2023	Principal activities
Tabreed Holdings WLL	Bahrain	100	100	Act as a holding company
Tabreed Al Maryah District Cooling Investment LLC	UAE	100	100	Act as a holding company
District Utilities Energy Investments L.LC	UAE	100	100	Act as a holding company
Tabreed Energy Investments owned by National Central Cooling PSC – One Person Company LLC	UAE	100	100	Act as a holding company
Tabreed Utilities & Metering Energy Investment LLC	UAE	100	100	Act as a holding company
Central Utilities & Metering Energy Investment LLC	UAE	100	100	Act as a holding company
Tabreed India Private Limited	India	75	75	Act as a holding company
Tabreed Infopark Cooling Private Limited	India	75	75	Act as a holding company
Tabreed Asia Central Cooling Company PTE LTD	Singapore	75	75	Act as a holding company
Tabreed Company for Infrastructure and Central Cooling Services LLC (Tabreed Misr)	Egypt	100	100	Act as a holding company

(i) During 2023, the Group disposed 50% of its ownership interest in subsidiary, Tabreed Park Investment LLC, resulting in loss of control. The remaining 50% ownership interest provides the Group joint control over the investee which is accounted for as investment in a joint venture under the equity method of accounting.

(ii) During the year, the Group liquidated the following subsidiaries

- Business District Cooling Investment LLC ; and
- Installation Integrity 2000 LLC

9.1 PARTLY-OWNED SUBSIDIARIES

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	2024 Percentage	2023 Percentage
Downtown District Cooling LLC	UAE	20	20
Prime District Cooling Company LLC	UAE	25	25
Emirates Preinsulated Pipes Industries LLC	UAE	34.8	34.8
Bahrain District Cooling Company	Bahrain	0.2	0. 2
Tabreed Oman SAOC	Oman	39.46	39.46
Kattameya D5 Infrastructure & Central Cooling Services LLD	Egypt	40	40
Tabreed Asia Central Cooling Company LTE PTE	Singapore	25	25

Accumulated balances of material non-controlling interest:

Name	2024 AED '000	2023 AED '000
Downtown District Cooling LLC	537,177	553,278
Others	81,136	72,437
Total	**618,313**	**625,715**

Profit allocated to material non-controlling interest:

Name	2024 AED '000	2023 AED '000
Downtown District Cooling LLC	27,898	(5,885)
Others	4,635	1,303
Total	**32,533**	**(4,582)**

9.1 PARTLY-OWNED SUBSIDIARIES (CONTINUED)

The summarized financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

Summarized statement of profit or loss

		Downtown District Cooling LLC AED000	Others AED '000	Total AED '000
2024	Revenue from contracts with customers	455,701	173,889	629,590
	Cost of sales	(291,146)	(102,567)	(393,713)
	Administrative expenses	(2,705)	(29,445)	(32,150)
	Finance costs	(4)	(11,271)	(11,275)
	Interest income	2,528	1,228	3,756
	Other charges	-	(193)	(193)
	Other income	1,303	3,510	4,813
	Total comprehensive income	**165,677**	**35,151**	**200,828**
	Attributable to non-controlling interests	27,898	4,635	32,533
	Dividends paid to non-controlling interests	24,000	3,832	27,832
2023	Revenue from contracts with customers	428,909	174,059	602,968
	Cost of sales	(255,589)	(107,492)	(363,081)
	Administrative expenses	(2,033)	(23,581)	(25,614)
	Finance costs	(2)	(11,952)	(11,954)
	Interest income	4,133	1,095	5,228
	Other charges	-	(12,580)	(12,580)
	Other income	-	1,038	1,038
	Total comprehensive income	**175,418**	**20,587**	**196,005**
	Attributable to non-controlling interests*	(5,885)	1,303	(4,582)
	Dividends paid to non-controlling interests	46,880	2,086	49,966

* Negative NCI for Downtown District Cooling LLC is due to the NCI share of the deferred tax expense recognized during the year on intangible assets acquired through business combination prior to the enactment of UAE Corporate Tax law

9.1 PARTLY-OWNED SUBSIDIARIES (CONTINUED)

Summarized statement of financial position:

		Downtown District Cooling LLC AED000	Others AED '000	Total AED '000
As at 31 December 2024	Inventories and cash and bank balances (current)	195,885	103,434	299,319
	Property, plant and equipment and other non-current assets (non-current)	2,780,707	721,392	3,502,099
	Trade payables and other liabilities	(51,240)	(67,552)	(118,792)
	Interest-bearing loans and borrowing and lease liabilities	(17,955)	(203,257)	(221,212)
	Total equity	**2,907,397**	**554,017**	**3,461,414**
	Attributable to:			
	Equity holders of parent	2,370,220	472,881	2,843,101
	Non-controlling interest	537,177	81,136	618,313
		2,907,397	**554,017**	**3,461,414**
As at 31 December 2023	Inventories and cash and bank balances (current)	201,256	85,752	287,008
	Property, plant and equipment and other non-current assets (non-current)	2,843,538	702,364	3,545,902
	Trade payables and other liabilities	(50,353)	(101,615)	(151,968)
	Interest-bearing loans and borrowing and lease liabilities	-	(166,484)	(166,484)
	Total equity	2,994,441	520,017	3,514,458
	Attributable to:	2,441,163	447,580	2,888,743
	Equity holders of parent	5,53,278	72,437	625,715
	Non-controlling interest	2,994,441	520,017	3,514,458

10. CAPITAL WORK IN PROGRESS

The movement in capital work in progress during the year was as follows:

	2024 AED '000	2023 AED '000
At 1 January	244,868	235,545
Additions during the year	254,369	174,574
Write off during the year	-	(36,426)
Transfer to property, plant and equipment (Note 11)	(160,293)	(128,825)
Disposal (i)	(16,654)	-
Transfer to finance lease	(26,689)	-
	295,601	**244,868**
Advances	10,975	13,408
At 31 December	306,576	258,276

i. During the year 2024, the group disposed of capital work in progress amounting to AED 16.7 million (2023: Nil) resulting in gain of AED 0.2 million which is recorded in other gains & losses (Note 6.4)

Refer to note 11 for impairment indicators assessment of cash generating units.

11. PROPERTY, PLANT AND EQUIPMENT

	Land, plant and buildings AED'000	Distribution network AED'000	Furniture and fixtures AED'000	Office equipment and instruments AED'000	Motor vehicles AED'000	Total AED'000
2024 Cost:						
At 1 January 2024	4,847,412	2,566,727	28,303	110,507	1,377	7,554,326
Additions during the year	9,117	24	148	10,920	54	20,263
Transfer from capital work in progress (Note 10)	116,862	28,248	453	14,730	-	160,293
At 31 December 2024	**4,973,391**	**2,594,999**	**28,904**	**136,157**	**1,431**	**7,734,882**
Accumulated depreciation:						
At 1 January 2024	1,381,007	623,386	17,057	58,164	1,352	2,080,966
Charge for the year	129,332	59,125	3,990	10,192	26	202,665
At 31 December 2024	**1,510,339**	**682,511**	**21,047**	**68,356**	**1,378**	**2,283,631**
Net carrying amount before accumulated impairment:						
At 31 December 2024	3,463,052	1,912,488	7,857	67,801	53	5,451,251
Accumulated impairment:						
At 1 January 2024 and at 31 December 2024	527,691	473,982	-	-	-	1,001,673
Net carrying amount after accumulated impairment:						
At 31 December 2024	2,935,361	1,438,506	7,857	67,801	53	4,449,578

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land, plant and buildings AED'000	Distribution network AED'000	Furniture and fixtures AED'000	Office equipment and instruments AED'000	Motor vehicles AED'000	Total AED'000
2023 Cost						
At 1 January 2023	4,857,564	2,700,410	22,594	95,219	1,377	7,677,164
Additions during the year	46,431	5,678	715	6,948	-	59,772
Transfer from capital work in progress (Note 10)	100,879	14,598	4,994	8,354	-	128,825
Reclassification (note 35)	-	(59,243)	-	-	-	(59,243)
Transfer to Finance Lease	(4,412)	-	-	-	-	(4,412)
Disposal of a subsidiary (note 29.1)	(153,050)	(94,716)	-	(14)	-	(247,780)
At 31 December 2023	**4,847,412**	**2,566,727**	**28,303**	**110,507**	**1,377**	**7,554,326**
Accumulated depreciation:						
At 1 January 2023	1,271,023	585,646	12,387	52,409	1,353	1,922,818
Charge for the year	138,619	60,135	4,670	5,847	(1)	209,270
Reclassification (note 35)	-	(8,728)	-	-	-	(8,728)
Disposal of a subsidiary (note 29.1)	(28,635)	(13,667)	-	(92)	-	(42,394)
At 31 December 2023	**1,381,007**	**623,386**	**17,057**	**58,164**	**1,352**	**2,080,966**
Net carrying amount before accumulated impairment:						
At 31 December 2023	3,466,405	1,943,341	11,246	52,343	25	5,473,360
Accumulated impairment:						
At 1 January 2023 and at 31 December 2023	527,691	473,982	-	-	-	1,001,673
Net carrying amount after accumulated impairment:						
At 31 December 2023	2,938,714	1,469,359	11,246	52,343	25	4,471,687

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The depreciation charge for the year has been allocated as follows:

	2024 AED '000	**2023** AED '000
Included in direct costs (Note 6.1)	194,237	201,821
Included in administrative and other expenses (Note 6.2)	8,428	7,449
	202,665	**209,270**

- Property, plant and equipment of AED 132.9 million (2023: AED 137.1 million) have been pledged as security against interest-bearing loans (Note 24).
- Management undertakes an annual strategic review of all its projects with the view of assessing the impact of any internal or external factors on the recoverable amount of the Group's property, plant and equipment, customer and other contracts and capital work in progress. As a result of this assessment management has written off AED Nil (2023: AED 36.4 million) with respect to capital work in progress (Note 10).
- During the year ended 31 December 2024, no borrowing cost is capitalized (2023: Nil).

12. INVESTMENTS IN ASSOCIATES

The Group has the following investments in associates:

	Country of incorporation	Principal activities	Ownership		Carrying value	
			2024	2023	2024	2023
Industrial City Cooling Company (i)	United Arab Emirates	Sale of chilled water	20%	20%	3,114	1,809
Tabreed District Cooling Company (Saudi)	Kingdom of Saudi Arabia	Sale of chilled water	21.8%	21.8%	460,108	440,216
Sahara Cooling Limited	United Arab Emirates	Sale of chilled water	40%	40%	60,617	55,613
					523,839	**497,638**

The Group's interest in associates is accounted for using the equity method in the consolidated financial statements. Movement in investments in associates is as follows:

12. INVESTMENTS IN ASSOCIATES (CONTINUED)

	For the year ended 31 December 2024 AED '000	For the year ended 31 December 2023 AED '000
At 1 January	497,638	438,670
Share of results for the year	30,411	32,793
Additions (ii)	-	49,148
Dividends received	(10,288)	(11,565)
Share of changes in fair value of effective cash flow hedges	12,146	(4,833)
Adjustments for inter group transactions	(6,068)	(6,575)
At 31 December	523,839	497,638

The associates are involved in the same business activity as Tabreed. The reporting dates for the associates are the same as for Tabreed. The investments are considered strategic to the Group.

- On 18th November 2024, the shareholders of the Industrial City Cooling Company have resolved to liquidate it. The liquidation is in progress as at the reporting date. Since the investment value is insignificant to the consolidated financial statements, the classification has not been changed to discontinued operations on the consolidated statement of financial position and consolidated statement of comprehensive income.
- During the year 2023, an associate of the Group, Tabreed District Cooling Company (Saudi Tabreed), increased its share capital by issuing new shares to a new shareholder at a premium. As a result, the Group's ownership interest in Saudi Tabreed was diluted from 31.1% to 21.8% resulting in a gain of AED 49.1 million). (note 6.4)

12. INVESTMENTS IN ASSOCIATES (CONTINUED)

The following illustrates summarised financial information of the Group's investments in associates. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not the Group's share of those amounts.

2024	Tabreed District Cooling Company (Saudi) AED '000	Others AED '000	Total AED '000
Total current assets	992,372	81,584	1,073,956
Total non-current assets	2,632,802	229,626	2,862,428
Total current liabilities	(162,864)	(4,813)	(167,677)
Total non-current liabilities	(1,347,551)	(139,289)	(1,486,840)
Net assets	2,114,759	167,108	2,281,867
Tabreed's share of net assets	**460,108**	**63,731**	**523,839**

2023	Tabreed District Cooling Company (Saudi) AED '000	Others AED '000	Total AED '000
Total current assets	1,184,733	99,564	1,284,297
Total non-current assets	2,020,038	248,407	2,268,445
Total current liabilities	(130,520)	(21,578)	(152,098)
Total non-current liabilities	(1,276,816)	(178,319)	(1,455,135)
Net assets	**1,797,435**	**148,074**	**1,945,509**
Tabreed's share of net assets	391,068	57,421	448,489
Impact of deemed disposal	49,148	-	49,148
Tabreed's share of net assets	**440,216**	**57,421**	**497,637**

12. INVESTMENTS IN ASSOCIATES (CONTINUED)

Reconciliation of carrying amounts

2024	Tabreed District Cooling Company (Saudi) AED '000	Others AED '000	Total AED '000
Opening net assets	2,023,330	148,074	2,171,404
Profit for the year	19,394	76,210	95,604
Other comprehensive income	72,032	(8,815)	63,217
Dividends paid	-	(32,912)	(32,912)
Other adjustments	-	(15,448)	(15,448)
Closing net assets	**2,114,756**	**167,109**	**2,281,865**
Tabreed's share of net assets	460,108	63,731	523,839

2023	Tabreed District Cooling Company (Saudi) AED '000	Others AED '000	Total AED '000
Opening net assets	1,188,735	133,192	1,321,927
Profit for the year	38,000	65,038	103,038
Other comprehensive income	(16,225)	(3,257)	(19,482)
Dividends paid	-	(28,913)	(28,913)
Other adjustments	586,925	(17,986)	568,939
Closing net assets	**1,797,435**	**148,074**	**1,945,509**
Tabreed's share of net assets	391,068	57,421	448,489
Impact of deemed disposal	49,148	-	49,148
Tabreed's share of net assets	**440,216**	**57,421**	**497,637**

12. INVESTMENTS IN ASSOCIATES (CONTINUED)

Reconciliation of carrying amounts (Continued)

2024	Tabreed District Cooling Company (Saudi) AED 000'	Others AED 000'	Total AED 000'
Revenue	307,671	103,295	410,966
Cost of sales	(122,280)	(11,254)	(133,534)
Administrative and other expenses	(105,084)	(12,940)	(118,024)
Other income	14,744	102	14,846
Net finance cost	(75,657)	(2,993)	(78,650)
Profit for the year	**19,394**	**76,210**	**95,604**
Tabreed's share of results for the year	4,220	26,191	30,411

2023	Tabreed District Cooling Company (Saudi) AED 000'	Others AED 000'	Total AED 000'
Revenue	329,601	118,521	448,122
Cost of sales	(147,077)	(44,992)	(192,069)
Administrative and other expenses	(61,379)	(4,230)	(65,609)
Other income	6,360	(268)	6,092
Net finance cost	(89,505)	(3,993)	(93,498)
Profit for the year	**38,000**	**65,038**	**103,038**
Tabreed's share of results for the year	8,268	24,525	32,793

- Net assets of associates include the Group's share of fair value of derivatives of associates amounting to AED 21.49 million (2023: AED 9.8 million). Summarised financial information of the Group's investments in associates is adjusted for intercompany transactions.
- Commitments and contingent liabilities in respect of the associates are disclosed in notes 31 and 32.

13. INVESTMENTS IN JOINT VENTURES

The Group has the following investment in joint ventures:

	Country of incorporation	Principal activities	Ownership		Carrying value	
			2024	2023	2024 AED 000'	2023 AED 000'
SNC Lavalin Gulf Contractors LLC (i)	United Arab Emirates	Construction business	0%	51%	-	18,540
Tabreed Parks Investment LLC(ii)	United Arab Emirates	Sale of Chilled Water	50%	50%	98,581	106,212

i. SNC Lavalin Gulf Contractors LLC (SLGC), a limited liability company is involved in engineering, procurement, construction and construction management in the field of District Cooling. The Group's interest in SLGC is accounted for using the equity method in the consolidated financial statements as both the shareholders jointly control and have equal rights to the net assets. On 28 December 2023, the Group has entered into a share purchase agreement with SNC Lavalin International Inc. for disposal of its stake in the joint venture. The investment was sold during the year 2024 resulting in a loss of AED 1.1 million (note 6.4).

ii. During 2023, the Group disposed 50% of its ownership interest in a subsidiary, Tabreed Park Investment LLC, resulting in loss of control. The remaining 50% ownership interest provides the Group joint control over the investee which is accounted for as investment in a joint venture under the equity method of accounting.

13. INVESTMENTS IN JOINT VENTURES (CONTINUED)

The reporting date for the joint venture was the same as for Tabreed.

Movement in investments in joint ventures was as follows:

	For the year ended 31 December 2024 AED '000	For the year ended 31 December 2023 AED '000
At 1 January	124,752	18,618
Share of results for the year	7,187	2,130
Additional Investment	-	104,004
Investment disposed	(18,541)	-
Dividend Received	(11,000)	-
Other Adjustments	(3,817)	-
At 31 December	**98,581**	**124,752**
Share of the joint ventures' revenues and profits:		
Revenues	**26,088**	20,956
(Loss) profit for the year	**7,187**	2,130

13. INVESTMENTS IN JOINT VENTURES (CONTINUED)

The following illustrates summarised financial information of the Group's investments in joint ventures:

	For the year ended 31 December 2024 AED '000	For the year ended 31 December 2023 AED '000
Revenue	52,176	41,597
Cost of sales	(29,168)	(30,874)
Administrative and other expenses	(1,977)	(2,964)
Other income	1,799	(7)
Net finance cost	(8,457)	(3,488)
Profit (loss) for the year	**14,373**	**4,264**
Tabreed's share of results for the year	7,187	2,130
Total current assets	93,282	92,457
Total non-current assets	180,788	206,970
Total current liabilities	(12,417)	(27,347)
Total non-current liabilities	(152,781)	(119,754)
Net assets	**108,872**	**152,326**
Goodwill and customer contracts	44,145	47,962
Tabreed's share of net assets	98,581	124,752

13. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Reconciliation of carrying amounts:

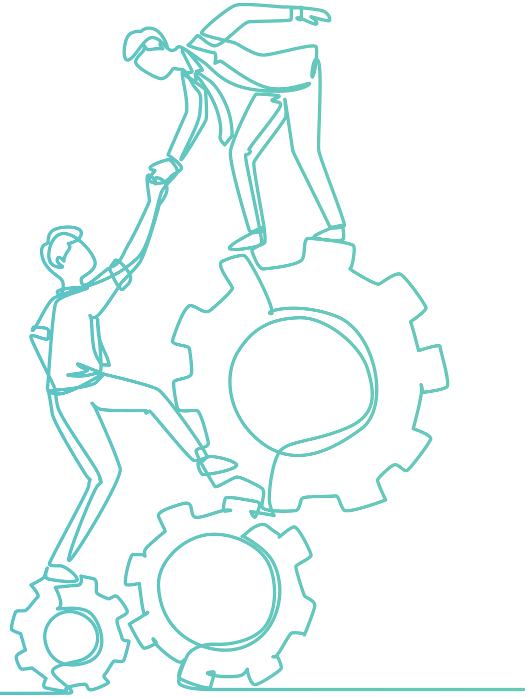
	For the year ended 31 December 2024 AED '000	For the year ended 31 December 2023 AED '000
Opening net assets	248,776	36,505
Profit (loss) for the year	14,373	4,264
Dividend paid	(22,000)	-
Others	(7,633)	-
Closing net assets	**233,516**	**40,769**
Share of net assets including goodwill	117,122	20,749
Additions	-	104,003
Disposal of Interest in a joint venture	(18,541)	-
Tabreed's share of net assets	**98,581**	**124,752**

The Group recognised the partial disposal of Tabreed Park Investment LLC during the year ended 31 December 2023 based on provisional values. The Group carried out final purchase price allocation exercise during the year and updated the acquisition accounting to reflect the measurement of completion adjustments, resulting in a recognition of customer contract amounting to AED 40.2 million (net of deferred taxes). Goodwill associated with the investment in TPI amounted to AED 7.8 million..

Purchase Price Allocation has been carried out as per the requirements of IFRS 3 and all the necessary adjustments of IAS 28 has been carried out in books.

Summarised financial information of the Group's investments in joint ventures is adjusted for intercompany transactions.

Commitments and contingent liabilities in respect of the joint ventures are disclosed in Notes 31 and 32.



14. INCOME TAX

Income tax for the current year is provided on the basis of estimated taxable income computed by the Group using tax rates, enacted or substantially enacted at the reporting date, applicable in the respective countries in which the subsidiaries operate and any adjustment to tax in respect of previous years.

The consolidated accounting profit has been reconciled to the accounting profit attributable to tax and the reconciliation between tax expense and the product of accounting profit attributable to tax multiplied by effective income tax rate for the year ended 31 December as follows:

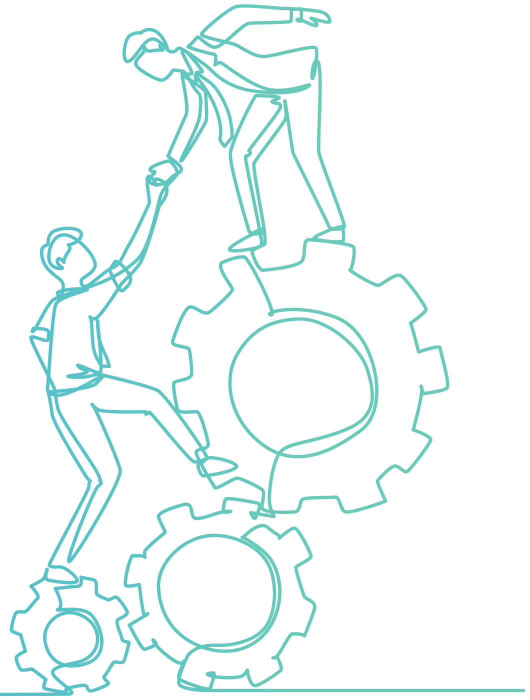
The major components of taxation for the years ended 31 December 2024 and 2023 are:

Consolidated statement of Profit or Loss:

	2024 AED '000	**2023** AED '000
Income Tax:		
Charge for the year	64,644	
Deferred Tax:		
Relating to origination and reversal of temporary differences	(5,121)	358,795
Tax expenses reported in the consolidated statement of profit or loss	**59,523**	**358,795**

Consolidated Other Comprehensive Income:

	2024 AED '000	**2023** AED '000
Deferred tax related to items recognized in OCI during the year:		
Unrealized gain on Fair valuation of Derivatives	**1,536**	-
Deferred income tax charged to OCI	**1,536**	**358,795**



14. INCOME TAX (CONTINUED)

Reconciliation of tax expense and the accounting profit multiplied by an effective rate of 9% for 2024:

	2024 AED '000	2023 AED '000
Accounting profit before tax	662,275	785,354
At UAE's statutory tax rate of 9%	59,605	-
Temporary differences	(5,121)	358,795
Permanent differences and others	5,039	-
Tax expense reported in the statement of profit or loss	**59,523**	**358,795**

Deferred tax

Reconciliation of deferred tax (liabilities)/ assets:

	2024 AED '000	2023 AED '000
As at 1 January	(358,795)	-
Other reclassifications	(5,731)	-
Tax income/(expense) recognised in profit or loss during the year	5,121	(358,795)
Tax (expense)/ income recognised in OCI during the year	(1,536)	-
At 31 December	**(360,941)**	**(358,795)**

14. INCOME TAX (CONTINUED)

Deferred tax assets/ (liabilities) relate to the following:

	2024 AED '000	2023 AED '000
Deferred tax assets:		
Losses available for offsetting against future taxable income & other provisions	1,166	-
Fair value of property, plant & equipment	11,524	7,792
	12,690	**7,792**
Deferred tax liabilities:		
Accelerated depreciation for tax purposes	(8,875)	-
Goodwill prior to the enactment of UAE CT Law	(28,729)	(28,729)
Intangibles acquired as part of business combinations - prior to enactment of UAE CT Law	(326,257)	(337,858)
Intangibles acquired as part of business combinations - subsequent to enactment of UAE CT Law	(5,131)	-
Fair value of property, plant & equipment	(3,103)	-
Unrealised gain on derivative fair valuation	(1,536)	-
	(373,631)	**(366,587)**

15. INTANGIBLE ASSETS

Goodwill

	2024 AED '000	2023 AED '000
At 1 January	319,207	319,207
At 31 December	319,207	319,207

	2024 AED '000	2023 AED '000
Downtown District Cooling LLC	78,919	78,919
Business District Cooling Investment LLC	240,288	240,288
	319,207	319,207

- The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of the goodwill for each cash-generating units (CGUs) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by the board covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth and inflation rates. These growth rates are consistent with forecasts from previous years and industry specific benchmarks in which each CGU operates. The CGUs are primarily supplying chilled water under a long-term cooling services contracts, therefore the Group used cash flows associated with the full term of the existing customer contracts of these CGUs in determining the value in use of the respective CGUs.
- The goodwill comprises of the fair value of expected synergies and future connections that may result through acquired district cooling plants and networks.
- During the year ended 31 December 2024, management performed its annual impairment review of goodwill, using the discounted cashflow model and trading multiples of comparable companies' approach.

Following key assumptions were used in the discounted cashflow review

- Consumer price index: 1.63% (2023: 2.5%)
- Discount rate: 7.10 % (2023: 7.01%)

- The recoverable amounts of the CGUs are most sensitive to the discount rate used for the value-in-use calculation. A change in discount rate by 1% would result in a reduction in the difference between the carrying value of the CGU (including allocated goodwill) and the recoverable amount by 45%, without resulting in an impairment loss.
- Management has assessed that no impairment loss is required to be recognised against goodwill at the reporting date.

Contracts

	2024 AED '000	2023 AED '000
At 1 January	3,730,238	3,832,883
Additions	43,875	-
Amortisation charge for the year (Note 6.1)	(112,181)	(102,645)
At 31 December	3,661,932	3,730,238

The customer contracts and contractual rights were acquired as part of a business combination. They are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line based on the timing of projected cash flows of the contracts over their estimated useful lives.

16. FINANCE LEASE RECEIVABLES

Movement in the finance lease receivables during the year was as follows:

	2024 AED '000	2023 AED '000
At 1 January, net	2,856,029	2,902,170
Finance lease income	213,198	218,110
Variable lease payment CPI indexation	25,605	77,480
Total finance lease income (Note 3)	238,803	295,590
Initial recognition of new finance lease receivables	40,016	4,412
Lease rentals received	(351,676)	(346,143)
At 31 December, net	2,783,172	2,856,029

Finance lease receivable is allocated in the consolidated statement of financial position as follows

	2024 AED '000	2023 AED '000
Current assets	338,440	333,157
Non-current assets	2,444,732	2,522,872
	2,783,172	2,856,029

16. FINANCE LEASE RECEIVABLES (CONTINUED)

Future minimum lease receivables under finance leases together with the present value of net minimum lease receivables are as follows:

	2024		2023	
	Minimum lease receivables AED '000	**Present value of minimum lease** AED '000	**Minimum lease receivables** AED '000	**Present value of minimum lease** AED '000
Within one year	352,075	338,440	346,605	333,157
After one but no more than five years	1,410,010	1,069,648	1,386,421	1,112,433
More than five years	2,596,983	1,375,084	2,865,297	1,410,439
	4,359,068	2,783,172	4,598,323	2,856,029
Unearned finance income	(1,575,896)	-	(1,742,294)	-
	2,783,172	2,783,172	2,856,029	2,856,029

Movement in unearned finance income was as follows:

	2024 AED '000	**2023** AED '000
At 1 January	1,742,294	1,884,861
Finance income recognized during the year	(213,198)	(218,110)
Variable lease payment CPI indexation	16,250	53,946
Relating to new finance leases	30,550	21,597
At 31 December	1,575,896	1,742,294

- No unguaranteed residual value to the benefit of the lessor is assumed for the purpose of the above calculation.
- The Group leases represent district cooling plants. Contracts are usually made for fixed periods of 15 years to 30 years. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. The Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions

17. RIGHT-OF-USE ASSETS

Movement in right-of-use asset was summarised as follows:

	Land, plant and buildings AED'000	Distribution network AED'000	Motor Vehicles AED'000	Total AED'000
2024 Cost:				
At 1 January 2024	310,519	150,003	26,055	486,577
Additions during the year	6,128	-	6,868	12,996
At 31 December 2024	**316,647**	**150,003**	**32,923**	**499,573**
Depreciation:				
At 1 January 2024	95,499	15,568	16,240	127,307
Depreciation for the year	23,788	3,238	4,051	31,077
At 31 December 2024	**119,287**	**18,806**	**20,291**	**158,384**
Net carrying amount before accumulated impairment: At 31 December 2024	197,360	131,197	12,632	341,189
Impairment:				
At 1 January 2023 and at 31 December 2024	88,253	-	-	88,253
Net carrying amount after accumulated impairment: At 31 December 2024	**109,107**	**131,197**	**12,632**	**252,936**

17. RIGHT-OF-USE ASSETS (CONTINUED)

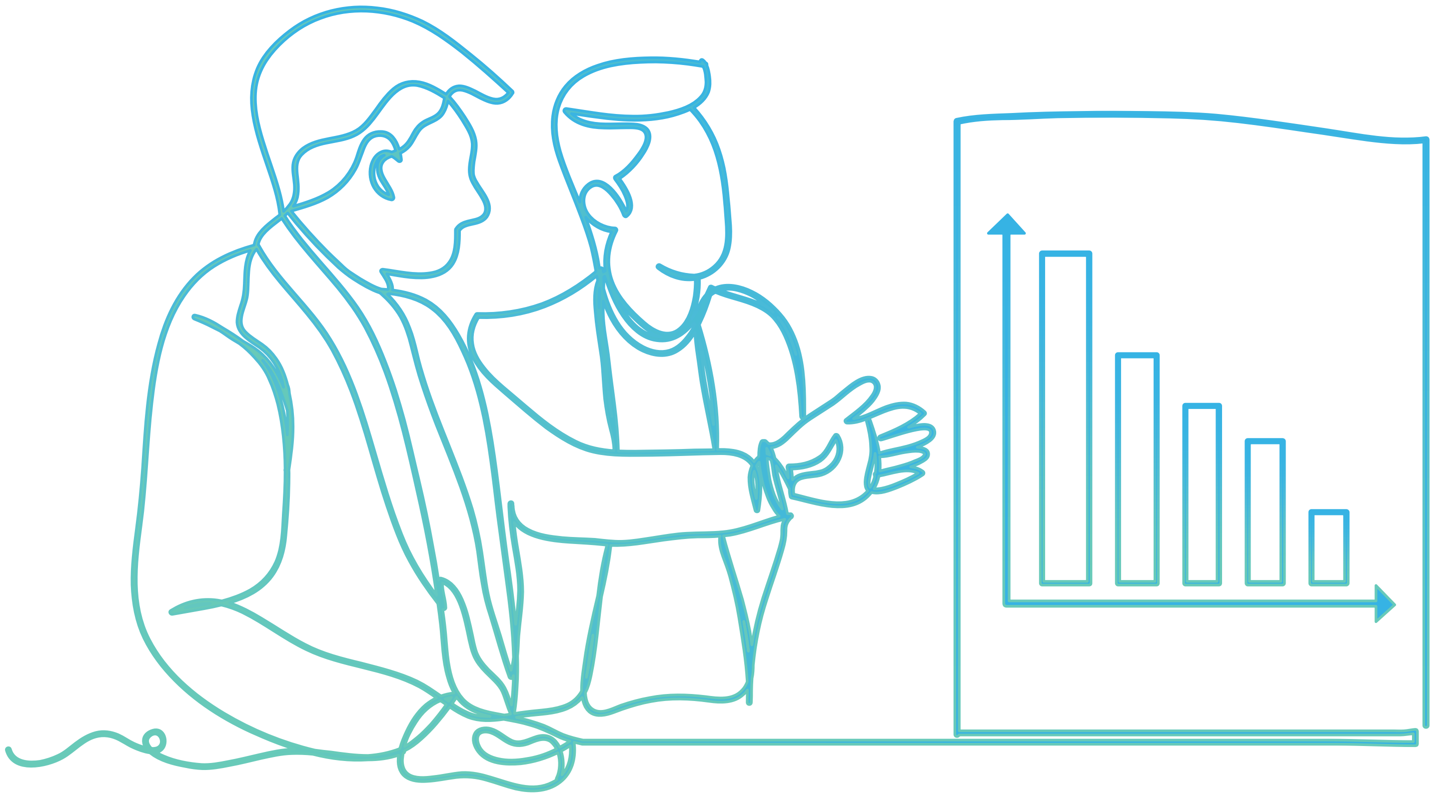
	Land, plant and buildings AED'000	**Distribution network** AED'000	**Motor Vehicles** AED'000	**Total** AED'000
2023 Cost:				
At 1 January 2023	255,847	90,760	23,397	370,004
Reclassification (note 35)	-	59,243	-	59,243
Additions during the year	54,672	-	2,658	57,330
At 31 December 2023	310,519	150,003	26,055	486,577
Depreciation:				
At 1 January 2023	72,895	3,764	12,243	88,902
Reclassification (note 35)	-	8,728	-	8,728
Depreciation for the year	22,604	3,076	3,997	29,677
At 31 December 2023	95,499	15,568	16,240	127,307
Net carrying amount before accumulated impairment: At 31 December 2023	215,020	134,435	9,815	359,270
Impairment:				
At 1 January 2022 and at 31 December 2023	88,253	-	-	88,253
Net carrying amount after accumulated impairment: At 31 December 2023	126,767	134,435	9,815	271,017

The depreciation charge for the year has been allocated as follows:

	2024 AED '000	**2023** AED '000
Included in direct costs (Note 6.1)	17,173	15,604
Included in administrative and other expenses (Note 6.2)	13,904	14,073
	31,077	29,677

18. LONG TERM DEPOSITS

During the period, various deposits amounting to AED 9.5 million (2023: AED 14.3 million) were placed by a subsidiary of the Group, for a tenure of 5 years, with commercial banks, at rates ranging from 4.5% to 5.25% per annum.



19. LEASE LIABILITIES

Movement in the lease liabilities during the year is as follows:

	2024 AED '000	2023 AED '000
At 1 January 2024	230,049	216,809
Addition	13,028	56,912
Accretion of interest (Note 5)	12,413	12,845
Repayment	(63,632)	(56,517)
At 31 December 2024	191,858	230,049

Lease liabilities are allocated in the consolidated statement of financial position as follows:

	2024 AED '000	2023 AED '000
Current	51,914	53,050
Non-current	139,944	176,999
	191,858	230,049

- Management has not considered the potential exposure of termination and extension clauses in determining lease liabilities.
- Amounts recognised in the consolidated statement of profit or loss as follows:

The consolidated statement of profit or loss shows the following amounts relating to leases:

	2024 AED '000	2023 AED '000
Depreciation of right-of-use asset (Note 17)	31,077	28,506
Finance cost on lease liabilities (Note 5 & 19)	12,413	12,845
	43,490	41,351

The statement of cash flows shows the following movement relating to leases:

	2024 AED '000	2023 AED '000
Principle elements of lease payments	51,219	43,672
Finance cost on lease liabilities (Note 5 & 19)	12,413	12,845
	63,632	56,517

20. TRADE AND OTHER RECEIVABLES

	31 December 2024 AED '000	31 December 2023 AED '000
Trade receivables, net	339,978	341,297
Amounts due from related parties (Note 30)	76,643	74,835
Advances to suppliers and employees	6,725	19,205
Deposits, accruals and other receivables	121,123	102,367
Derivative financial instruments (i)	50,152	162,742
Prepayments	20,586	17,027
	615,207	717,473

(i) The Group has entered into interest rate swaps (IRS) for the interest-bearing loans denominated in AED and USD which are designated as a hedging instrument (Note 34). During the year ended 31 December 2024, the fair value movement of IRS amounting to AED 113 million was recorded in the consolidated statement of comprehensive income (2023: AED 100.0 million). Further, hedging instrument amounting to AED Nil (2023: AED 27.5 million) was settled prematurely due to early settlement of Term loan 2 (Note 24 (ii))

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

As at 31 December 2024, trade receivables with a nominal value of AED 27.6 million (2023: AED 27.4 million) were provided for as per the requirements of IFRS 9 expected credit loss model. Movement in the provision for impairment of trade receivables is as follows:

	31 December 2024 AED '000	31 December 2023 AED '000
At 1 January	27,444	24,702
Provision for expected credit losses for the year	906	3,895
Amounts written off	(736)	(1,153)
At 31 December	27,614	27,444

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

The following table details the risk profile of trade receivables and amounts due from related parties based on the Group's provision matrix. Group's provision for loss allowance is based on past due status between the Group's different customer base for majority of the customers.

As at 31 December, the ageing analysis of trade receivables and amounts due from related parties is as follows:

				Past due				
	Total	Current	< 30 days	30 – 60 days	60 – 90 days	90 – 120 days	120 – 365 days	>365 days
2024								
Gross receivable (AED'000)	444,235	286,610	77,501	19,248	10,955	2,514	14,020	33,387
Provision %	6.2%	0.7%	0.9%	1.2%	1.7%	2.2%	5.0%	71.3%
Provision (AED'000)	27,614	2,020	662	238	187	56	696	23,755
Net receivable (AED'000)	416,621	284,590	76,839	19,010	10,768	2,458	13,324	9,632
2023								
Gross receivable (AED'000)	443,576	263,342	54,537	49,663	12,752	6,025	24,550	32,707
Provision %	6.2%	0.7%	1.8%	1.4%	4.3%	7.5%	15.9%	58.2%
Provision (AED'000)	27,444	1,797	987	706	546	454	3,910	19,044
Net receivable (AED'000)	416,132	261,545	53,550	48,957	12,206	5,571	20,640	13,663

Trade receivables are non-interest bearing and are generally on 30 – 60 days terms. It is not the practice of the Group to obtain collateral over receivables and the vast majority are, therefore, unsecured. For terms and conditions relating to related party receivables, refer to Note 30.

21. CASH AND BANK BALANCES

Bank balances and cash included in the consolidated statement of financial position and in the consolidated statement of cash flows are as follows:

	2024 AED '000	2023 AED '000
Bank balances and cash	143,592	150,061
Bank deposits	879,184	1,359,743
Cash and cash equivalents as at 31 December	1,022,776	1,509,804

Included in the bank balances is an amount of AED 4.8 million (2023: AED Nil) placed in debt service reserve accounts in relation to bank facilities and an amount of AED 1.4 million (2023: AED 1.8 million) held as cash margin against trade related bank guarantees and letters of credit.

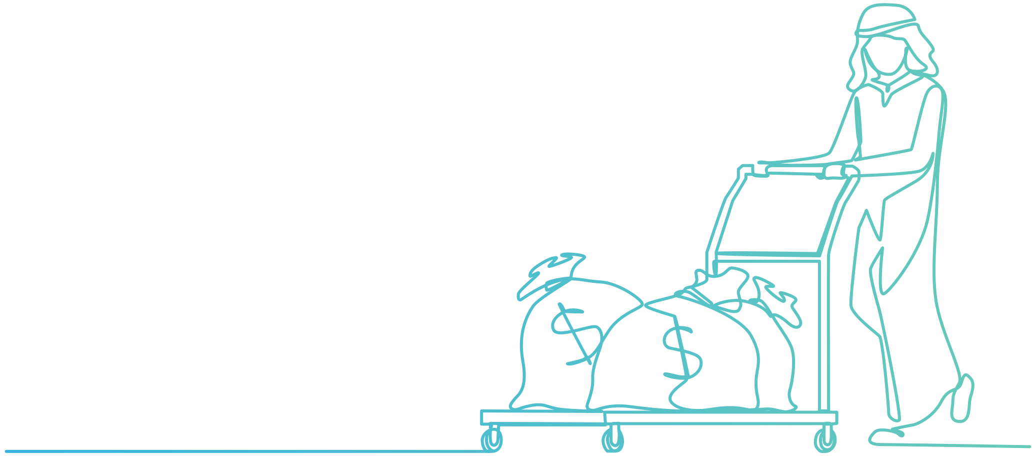
Bank deposits attract a fixed rate of interest ranging from 4.2% to 5.25% per annum (2023: 4.8% to 6% per annum) and held with a maturity of three months or less.

Geographical concentration of cash and bank balances is as follows:

	2024 AED '000	2023 AED '000
Within UAE	998,885	1,495,903
Outside UAE	23,891	13,901
	1,022,776	1,509,804

The table below details changes in the Group's labilities arising from financing activities, including both cash and non-cash changes

	2024 AED '000	2023 AED '000
Cash and bank balances	1,022,776	1,509,804
Interest bearing loans and borrowings	(2,044,610)	(2,037,952)
Islamic financing arrangements	(640,666)	(638,135)
Non-convertible bonds and Sukuk	(2,770,548)	(3,532,495)
Lease liabilities	(191,858)	(230,049)
Net debt	(4,624,906)	(4,928,827)



21. CASH AND BANK BALANCES (CONTINUED)

	Cash and bank balances AED'000	**Interest bearing loans and borrowings** AED'000	**Islamic financing arrangements** AED'000	**Non- convertible Bonds and Sukuk** AED'000	**Lease liabilities** AED'000	**Total** AED'000
Net debt						
Balance at 1 January 2024	1,509,804	(2,037,953)	(638,135)	(3,532,495)	(230,049)	(4,928,828)
Cash flows	(487,028)	(543)	-	767,544	63,632	343,605
Non-cash transaction:						
Amortization of transaction cost (Note 5)	-	(6,114)	(2,531)	(5,597)	-	(14,242)
Addition (Note 19)	-	-	-	-	(13,028)	(13,028)
Accretion of interest (note 5)	-	-	-	-	(12,413)	(12,413)
Balance at 31 December 2024	1,022,776	(2,044,610)	(640,666)	(2,770,548)	(191,858)	(4,624,906)
Net debt						
Balance at 1 January 2023	1,773,301	(2,506,481)	(937,391)	(3,648,295)	(216,809)	(5,535,675)
Cash flows	(263,497)	491,045	312,371	121,193	56,517	717,629
Non-cash transaction:						
Amortisation of transaction cost (Note 5)	-	(22,517)	(13,115)	(5,393)	-	(41,025)
Addition (Note 19)	-	-	-	-	(56,912)	(56,912)
Accretion (Note 5)	-	-	-	-	(12,845)	(12,845)
Balance at 31 December 2023	1,509,804	(2,037,953)	(638,135)	(3,532,495)	(230,049)	(4,928,828)

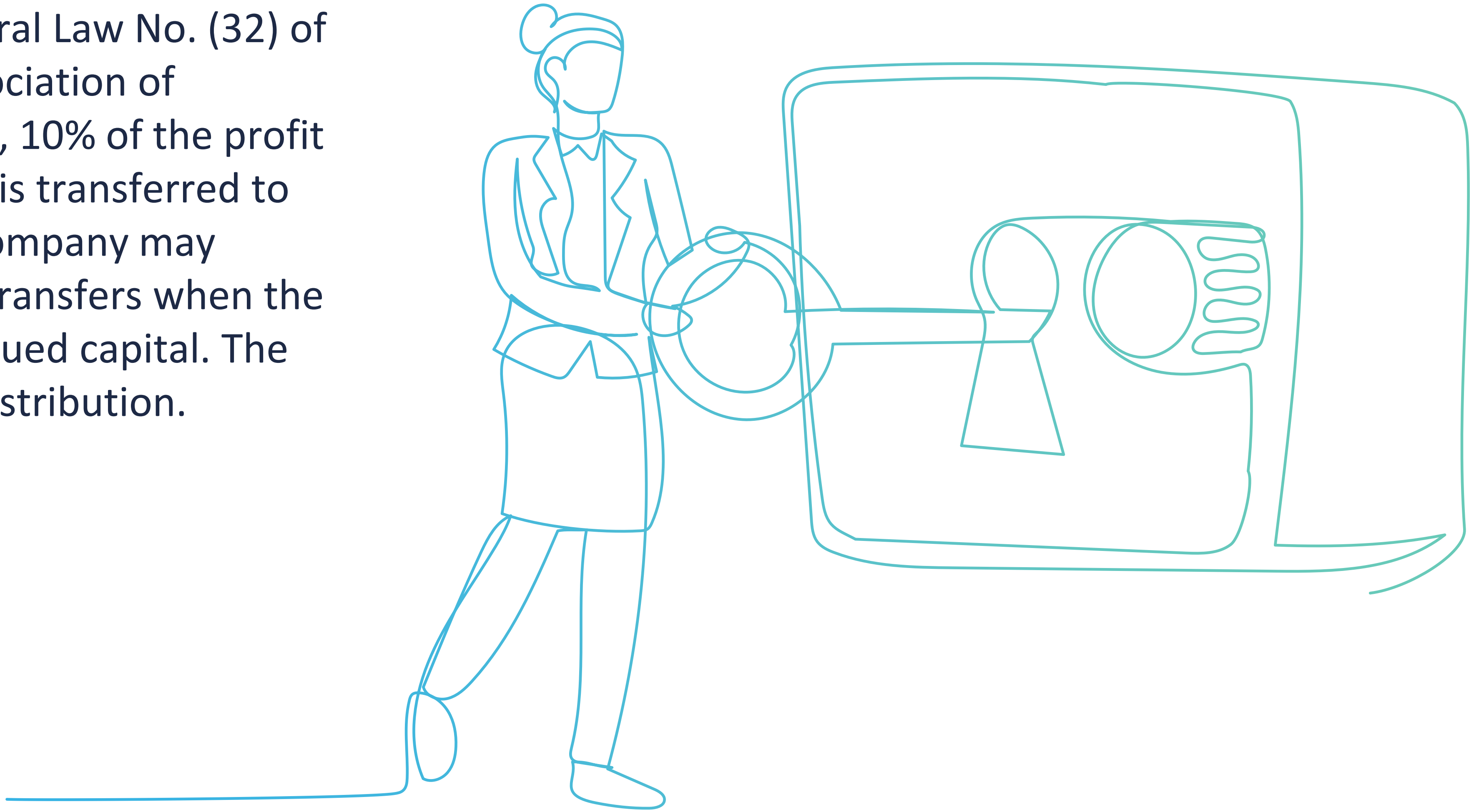
Transaction cost of AED Nil (2023: AED 20.8 million) pertaining to a subsidiary was written off as a result of settlement and charged to P&L under 'other gains and losses'.

22. ISSUED CAPITAL

	2024 AED '000	2023 AED '000
Authorised, issued and fully paid up share capital		
Shares 2,845,271,070 (2023: 2,845,260,590) ordinary shares of AED 1 each	2,845,271	2,845,261

23. STATUTORY RESERVE

As required by the UAE Federal Law No. (32) of 2021, and the articles of association of companies registered in UAE, 10% of the profit of the Company for the year is transferred to the statutory reserve. The Company may resolve to discontinue such transfers when the reserve equals 50% of the issued capital. The reserve is not available for distribution.



24. INTEREST BEARING LOANS AND BORROWINGS

	Effective interest rate, %	2024 AED '000	2023 AED '000
Term loan 1(i)	SOFR + margin	1,895,761	1,887,623
Term loan 2(ii)	SOFR + margin	-	-
Term loan 3 (iii)	SOFR + margin	-	-
Term loan 4(iv)	4.75%	51,368	50,578
Term loan 5(v)	4.75%	48,591	46,759
Term loan 6(vi)	EIBOR + margin	48,890	52,992
Term loan 7(vii)	EIBOR + Margin	-	-
		2,044,610	2,037,952

Interest bearing loans and borrowings are allocated in the consolidated statement of financial position as follows

	2024 AED '000	2023 AED '000
Current portion	1,911,230	61,037
Non-current portion	133,380	1,976,915
	2,044,610	2,037,952

Term loan 1

- During the year 2020, the Group secured a facility of AED 1,900.4 million (US$ 517.4 million) from a syndicate of banks to finance the acquisition of a subsidiary. The facility carried interest rate of LIBOR plus margin. Effective 30 June 2023, USD LIBOR rates have been discontinued and replaced by Secured Overnight Financing Rate (SOFR). The Company has successfully transitioned the loan and the associated derivatives from LIBOR to SOFR with no impact on the profit or loss or equity of the Group in 2023.
- The interest is payable in cash on a flexible basis as agreed with the bank at every interest reset period. The facility is repayable with a 100% bullet payment in March 2025.
- It is an un-secured facility, ranks pari passu with all other unsecured and unsubordinated liabilities of the Group.

Term loan 2

- During the year 2023, as permitted by the financing agreement, the Group early settled Term Loan 2 along with the associated hedging instrument as part of its liability management. This resulted in a reclassification of the cumulative fair value of derivatives in cash flow hedges amounting to AED 100.6 million, from other comprehensive income to profit or loss under 'other gains and losses' in 2023.
- In addition, unamortized transaction cost of AED 10.5 million was written off in 2023 as a result of the settlement. The write off is recorded under 'other gains and losses' in the consolidated statement of profit or loss.

24. INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

Term loan 3

- Effective 14 August 2023, the Group disposed 50% of its ownership interest in a subsidiary, Tabreed Parks Investment LLC, resulting in loss of control and deconsolidation of loan associated with the subsidiary (note 29.1)

Term loan 4

- Term loan 4 relates to a subsidiary and represents borrowing with a local commercial bank. The facility was refinanced during 2023 to avail better interest rates. The new facility is also secured against and commercial charge over property, plant and equipment (plant & machinery). The loan is repayable in quarterly instalments and maturing in September 2033 and carries fixed interest of 4.75% per annum (December 2023: 4.75% per annum). During the year total repayments of AED 5.2 million were made (2023: AED 5.6 million).

Term loan 5

- During 2021, the Group acquired a new facility through a subsidiary which represents borrowing with a local commercial bank. The facility was refinanced during 2023 to avail better interest rates. The new facility is secured against the receivables and commercial charge over land, property, plant and equipment (plant & machinery). The loan is repayable in quarterly instalments and maturing in September 2033 and carries fixed interest of 4.75% per annum (December 2023: 4.75% per annum). During the year total repayments of AED 4.9 million were made (2023: AED 4.3 million). The subsidiary fully complied with the covenants for the year ended 31 December 2024. A covenant for the loan was non-compliant as at 31 December 2023 for which a waiver letter was received subsequently.

Term loan 6

- Term loan 6 relates to a subsidiary and represents borrowing with a local commercial bank. The facility amounting to AED 77.9 million was obtained to finance the acquisition of a plant. The facility carries interest rate of EIBOR plus a margin, payable in cash on a quarterly basis and is secured against the plant for which facility was obtained. The facility is repayable in 60 quarterly instalments with the last instalment due on 31 December 2031. During the year, total repayments of AED 4.2 million were made against this facility (2023: AED 4.0 million).

Term loan 7

- A green revolving credit facility of AED 600 million was also obtained by the Group during 2023 which is to be utilised in the form of drawing cash advances. The revolving facility carries interest at EIBOR plus margin and is repayable on 31 December 2028. As of 31 December 2024, the company has utilised & repaid AED 90 million from the revolving credit facility (2023: Nil)
- Included in the interest-bearing loans and borrowings is an amount of AED 5.3 million of unamortised transaction cost (2023: AED 15.1 million).
- The Group has complied with all the applicable financial covenants as at 31st December 2024.

25. ISLAMIC FINANCING ARRANGEMENT

	Effective profit rate %	2024 AED '000	2023 AED '000
Islamic financing arrangement (1)	SOFR + margin	640,666	638,135
Islamic financing arrangement (2)	LIBOR + margin	-	-
		640,666	638,135

Islamic financing arrangement are allocated in the consolidated statement of financial position as follows

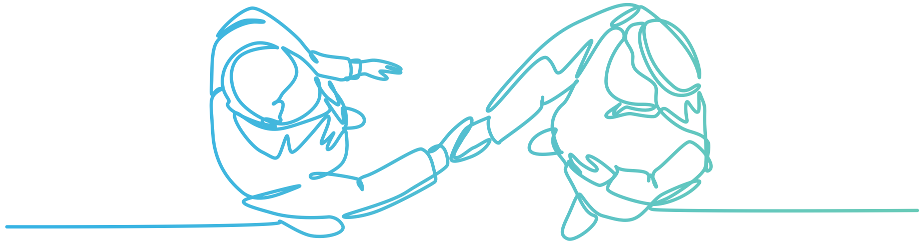
	2024 AED '000	2023 AED '000
Current portion	640,666	-
Non-current portion	-	638,135
	640,666	638,135

Islamic financing arrangement (1)

- During the year 2020, the Group secured a new Islamic facility of AED 641.3 million (US$ 174.6 million) from a syndicate of banks to finance the acquisition of a subsidiary. The facility carries profit rate of LIBOR plus margin. Effective 30 June 2023, USD LIBOR rates have been discontinued and replaced by Secured Overnight Financing Rate (SOFR). The Company has successfully transitioned the loan and the associated derivatives from LIBOR to SOFR with no impact on the profit or loss or equity of the Group in 2023. The profit is payable in cash on a flexible basis as agreed with the Bank at every profit reset period. The facility is repayable with a 100% bullet payment in March 2025.

Islamic financing arrangement (2)

- During 2023, as permitted by the financing agreement, the Group early settled Islamic financing arrangement - II as part of its liability management resulting in unamortized transaction cost of AED 10.3 million being written off. The write off is recorded under 'other gains and losses' in the consolidated statement of profit or loss.
- Included in the Islamic financing arrangement is an amount of AED 0.6 million of unamortised transaction cost (2023: AED 3.2 million).



26. NON-CONVERTIBLE BONDS AND SUKUK

Non-convertible Sukuk

2024 AED '000	2023 AED '000
946,466	1,712,598

- In 2018, the Group issued a 7 year investment grade Islamic Bond (Sukuk) of US$ 500 million which is listed on the International Securities Market of London Stock Exchange. The bond carries profit rate of 5.5% payable semi-annually. The bonds are repayable on 31 October 2025. The proceeds of the bonds were utilised to repay the portion of previous term loans and Islamic financing arrangements.
- The Sukuk is stated net of discount and transaction costs incurred in connection with the Sukuk arrangements, amounting to AED 1.2 million (2023: AED 2.7 million), which are amortised to the consolidated statement of profit or loss over the repayment period of Sukuk using effective interest rate method. During 2024, Sukuk amounting to US$ 209 million were purchased from the open market as part of its liability management with total buyback amounting to US$ 242 million as at 31st December 2024 (2023 - US$ 33 million). Management intends to hold these instruments without cancellation.

Non-convertible Bonds

2024 AED '000	2023 AED '000
1,824,082	1,819,897

- During the year 2020, the Group issued 7-year investment grade bonds of US$ 500 million which is listed on the International Securities Market of London Stock Exchange. The bonds carry coupon rate of 2.5% payable semi-annually. The bonds are repayable on 31 October 2027. The proceeds of the bonds were utilised to repay the previous term Loans and to fund the future growth.
- The bonds are stated net of discount and transaction costs incurred in connection with the bonds issuance, amounting to AED 12.4 million (2023: AED 16.6 million), which are amortised to the consolidated statement of profit or loss over the repayment period of the Bonds using effective interest rate method.
- There are no covenants applied on non-convertible bonds and Sukuk, as long as the Group maintains investment grade credit rating status.

27. EMPLOYEES' END OF SERVICE BENEFITS

The Group provides for employees' end of service benefits in respect of its non-UAE employees in accordance with the employees' contracts of employment. The movement in the provision recognised in the consolidated statement of financial position is as follows:

	2024 AED '000	**2023** AED '000
At 1 January	45,258	42,706
Charge for the year (Note 6.3)	8,572	8,062
Payments made during the year	(3,651)	(5,510)
At 31 December	50,179	45,258

28. TRADE AND OTHER PAYABLES

	2024 AED '000	2023 AED '000
Non-current liabilities		
Relating to capital expenditure:		
Contractor payable and retentions	**13,555**	13,557
Others:		
Contract liabilities	**318,025**	255,109
	331,580	268,666
Current liabilities		
Relating to capital expenditure:		
Contractor payable and retentions	**1,028**	4,357
Accrued expenses	**68,116**	48,388
	69,144	52,745
Others:		
Trade payables	**86,684**	80,717
Due to related parties (Note 30)	**28,719**	28,505
Accrued expenses	**286,070**	346,994
Contract liabilities	**19,115**	54,088
Deferred income	**23,996**	27,083
Income Tax Payable	**63,912**	-
VAT payable	**3,906**	814
Deposits	**109,179**	100,111
Other payables	**74,560**	94,474
	696,141	732,786
	765,285	785,531

Terms and conditions of the financial liabilities:

- Trade payables and other financial liabilities are non-interest bearing and are normally settled on 60-90 days terms.
- Retentions payable are non-interest bearing and are normally settled in accordance with the terms of the contracts.
- For terms and conditions relating to related parties, refer to note 30.

Movement in contract liabilities is as follows:

	2024 AED '000	**2023** AED '000
Contract liabilities	337,140	309,197

- Contract liabilities represent un-satisfied performance obligation related to connection fees.
- During the year ended 31 December 2024, total addition amounted to AED 47.6 million (2023: AED 48.7 million). The revenue recognised during the year is AED 19.6 million (2023: AED 15.7 million).

29. BUSINESS COMBINATION

29.1 Disposal of a subsidiary

Effective 14 August 2023, the Group disposed 50% of its ownership interest in a subsidiary, Tabreed Parks Investment LLC, resulting in loss of control. The carrying value of the identifiable assets and liabilities disposed, on the date of disposal, are as follows:

i. Includes interest bearing loans and borrowings, net of transaction costs, amounting to AED 127 million.

ii. Net of cost of disposal amounting to AED 8 million

iii. Gain is recorded under 'other gains and losses' in the consolidated statement of profit or loss in 2023.

	2023 AED '000
Current assets	45,213
Non-current assets	203,928
Total assets	**249,141**
Current liabilities	9,446
Non-current liabilities (i)	127,507
Total liabilities	**136,953**
Net assets	**112,188**
Consideration received in cash, net (ii)	91,745
Fair value of remaining 50% shares	104,678
Less: Net assets disposed	(112,188)
Gain on disposal	**84,235**

29. BUSINESS COMBINATION (CONTINUED)

29.1 Disposal of a subsidiary (continued)

The results of Tabreed Parks Investment LLC for the period until the date of disposal are presented below:

	Period ended 14 August 2023 AED '000
Revenue	30,214
Expenses	(14,946)
Gross profit	**15,268**
Other administrative expenses	(210)
Net finance cost	(5,867)
Other income	-
Profit for the period from discontinued operation (i)	**9,191**

The net cash outflows generated from the sale are as follows:

	Period ended 14 August 2023 AED '000
Consideration received less cost to sale	91,745
Cash disposed as part of the sale	(23,678)
Net cash inflow on disposal	**68,067**

(i) The results of the operations of Tabreed Parks Investment LLC, for the period ended 14 August 2023 i.e. the date of disposal, are not presented separately in the consolidated statement of profit or loss, as the amounts are not material.

30. RELATED PARTY TRANSACTIONS AND BALANCES

- Related parties represent associated companies, joint ventures, directors and key management personnel of the Group, management entities engaged by the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.
- Transactions with related party includes purchase and sale of chilled water and provision of management services. Significant transactions with related parties included in the consolidated statement of profit or loss are as follows

	2024		2023	
	Revenue AED '000	**Direct costs** AED '000	**Revenue** AED '000	**Direct costs** AED '000
Associated companies	16,868	65,026	11,406	64,170
Non-controlling interest	389,954	-	392,789	-

Balances with related parties included in the consolidated statement of financial position are as follows:

	2024		2023	
	Trade receivables AED '000	**Trade payables and advances** AED '000	**Trade receivables** AED '000	**Trade payables and advances** AED '000
Associated companies	10,183	28,719	8,210	28,505
Non-controlling interest	66,460	-	66,625	-
	76,643	28,719	74,835	28,505

30. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Terms and conditions of transactions with related parties

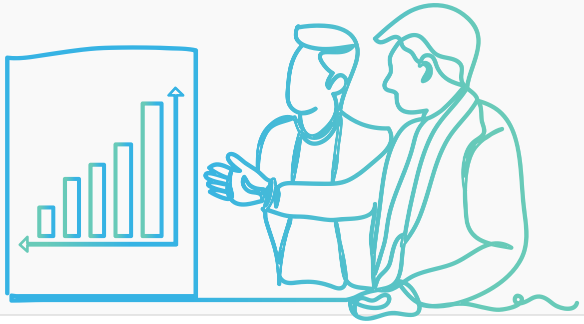
Transactions with related parties are made at agreed terms and conditions approved by management and are analysed as follows:

	Terms and conditions	2024 AED '000	2023 AED '000
Trade receivables	Settled over agreed credit terms	76,643	74,835
Trade payables and advances	Settled over normal credit period	28,719	28,505

Compensation of key management personnel

The remuneration of key management personnel during the year was as follows

	2024 AED '000	2023 AED '000
Short-term benefits	12,197	12,062
Employees' end of service benefits	145	157
	12,342	12,219
Number of key management personnel	6	6



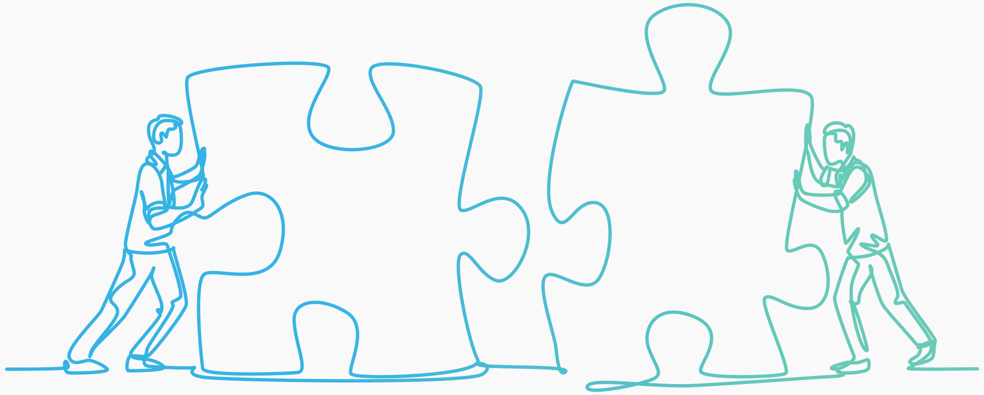
31. CONTINGENT LIABILITIES

Bank guarantees

The banks have issued guarantees on behalf of the Group as follows:

	2024 AED '000	**2023** AED '000
Performance guarantees	66,596	95,453
Advance payment guarantees	791	2,253
Financial guarantees	8,905	8,519
	76,292	106,225

The Group's share of contingencies of associates and joint ventures as of 31 December 2024 amounted to AED 82.5 million (2023: AED 73.5 million) and AED Nil (2023: AED Nil), respectively. The Group expects no outflow of economic resources and accordingly no provision has been made in the consolidated financial statements.



32. COMMITMENTS

Contractual commitments

The authorised contractual commitments as at 31 December 2024, contracted but not provided for amounted to AED 219 million (2023: AED 591 million). The Group's share of authorised future capital expenditure of associates at 31 December 2024 amounted to AED 1.1 million (2023: AED 28.4 million) and the Group's share of authorised future capital expenditure for joint ventures amounted to AED Nil (2023: Nil).

Operating lease commitments - lessor

The Group enters into cooling service agreements with its customers for the provision of chilled water. Some of these agreements qualify to be classified as a lease and have been accounted for as an operating lease as the Group does not transfer substantially all the risks and rewards of ownership of the asset to the customer.

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows

	2024 AED '000	2023 AED '000
Within one year	81,770	80,499
After one year but not more than five years	306,217	309,034
More than five years	557,980	720,108
	945,967	1,109,641

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

- The Group's principal financial liabilities, other than derivatives, comprise interest bearing loans and borrowings, Islamic financing, lease liabilities, non-convertible bonds and Sukuk, trade payables and due to related parties. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as finance lease receivables, trade receivables, due from related parties and cash and bank balances, which arise directly from its operations.
- The Group enters into derivative transactions to manage the interest rate risk arising from the Group's sources of finance. It is, and has been throughout 2024 and 2023 the Group's policy that no trading in derivatives shall be undertaken.
- The Group is exposed to market risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

(a) Market risk

- Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise the following types of risk: interest rate risk and currency risk.
- Financial instruments affected by market risk include loans and borrowings, Islamic financing arrangements, deposits, finance lease receivables, lease liabilities and derivative financial instruments.
- The sensitivity analysis in the following sections relate to the position as at 31 December 2024 and 2023.
- The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of the hedge designations in place at 31 December 2024 and 2023.

The following assumptions have been made in calculating the sensitivity analyses:

- The consolidated statement of financial position sensitivity relates to derivatives instruments.
- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 December 2024 and 2023 including the effect of hedge accounting

(b) Interest rate risk

- Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
- The Group's cash flow exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations and deposits with floating interest rates.
- To manage the cash flow risk relating to its variable interest borrowings, the Group enters into interest rate swaps, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon notional principal amount. These swaps are designated to hedge underlying debt obligations. At 31 December 2024, after taking into account the effect of interest rate swaps, 100% of the Group's borrowings are at a fixed rate of interest (2023: 100%).

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Interest rate sensitivity

- The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Group's profit for one year (through the impact on unhedged portion of loans and borrowings).

Effect on profit (AED '000)	
2024	
+100 basis point increase	-
+100 basis point decrease	-
2023	
+100 basis point increase	-
+100 basis point decrease	-

(c) Foreign currency risk

- Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
- The majority of the transactions and balances are in either UAE Dirham or US Dollar or currencies that are pegged to US Dollar. As the UAE Dirham is pegged to the US Dollar, balances in US Dollar are not considered to represent significant foreign currency risk.

(d) Credit risk

- The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. The maximum exposure relating to trade receivables, contract assets and finance lease receivables is the carrying amount as disclosed in notes 20 and 16 respectively. The Group's 3 largest customers accounted for 52% of outstanding trade and related party receivable balances at 31 December 2024 (2023: 3 customers, including a related party, account for approximately 57%). Amounts due in respect of finance lease receivables are from eleven customers (2023: nine customers).
- The Group applies IFRS 9 simplified approach to measure expected credit losses which uses a expected loss allowance for all trade receivables, contract assets and finance lease receivables.
- To measure the expected credit losses, trade receivables, contract assets and finance lease receivables have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.
- The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.
- With respect to credit risk arising from other financial assets of the Group, which comprise cash and bank balances and certain derivative instruments, the Group's exposure to credit risk arises from default of the counterparty, maximum is equal to the carrying amount of these instruments. The Group seeks to limit its credit risk to banks by only dealing with reputable banks, and independently rated parties with a minimum of investment grade ratings are accepted.
- For finance lease receivables, the Group uses simplified approach, requiring lifetime ECL recognition at all times. ECL provision is based on the Group's historical information adjusted for future expectations using macro-economic indicators. The finance lease receivables are concentrated with a few parties which are owned by Government of UAE and thus carries very low credit risk leading towards immaterial provision allowance.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Liquidity risk

- The Group monitors its risk to a shortage of funds using a cash flow model. This tool considers the maturity of its financial assets (trade receivables, finance lease receivables and other financial assets) and projected cash outflows from operations and capital projects.
- The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of term loans.

The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2024 and 2023 based on undiscounted payments and current market interest rates.

	On demand AED '000	Less than 3 months AED '000	3 to 12 months AED '000	1 to 5 years AED '000	>5 years AED '000	Total AED '000	Carrying value AED '000
Interest bearing loans and borrowings	-	1,922,630	20,605	91,273	63,423	2,097,931	2,044,610
Islamic financing arrangements	-	649,569	-	-	-	649,569	640,666
Non-convertible bonds and Sukuk	-	-	1,983,420	1,928,325	-	3,911,745	2,770,548
Lease liabilities	-	14,942	38,162	107,657	101,178	261,939	191,858
Trade and retention payables, due to related parties and other financial liabilities	-	204,735	374,272	13,556	-	592,563	592,563
At 31 December 2024	-	2,791,876	2,416,459	2,140,811	164,601	7,513,747	6,240,245
Interest bearing loans and borrowings	-	11,720	35,167	1,982,399	91,269	2,120,555	2,037,952
Islamic financing arrangements	-	2,950	8,437	646,312	-	657,699	638,135
Non-convertible bonds and Sukuk	-	-	146,920	3,911,745	-	4,058,665	3,532,495
Lease liabilities	-	13,864	41,746	145,250	109,583	310,443	230,049
Trade and retention payables, due to related parties and other financial liabilities	-	195,450	394,533	13,556	-	603,539	603,539
At 31 December 2023	-	223,984	626,803	6,699,262	200,852	7,750,901	7,042,170

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	2024 AED '000	2023 AED '000
Expiring beyond one year (bank loans)	**600,000**	600,000

(f) Capital management

- The primary objective of the Group's capital management is to achieve strong credit metrics and healthy capital ratios in order to support its business and maximise shareholder value.
- The Group manages its capital structure and adjusts it, in the light of changes in economic conditions. There are no regulatory imposed requirements on the level of share capital which the Group has not met.
- The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, Islamic financing arrangement, non-convertible bonds and Sukuk and lease liabilities less cash and bank balances. Capital includes total equity excluding non-controlling interests less cumulative changes in fair value of derivatives.

	2024 AED '000	2023 AED '000
Interest bearing loans and borrowings	2,044,610	2,037,952
Islamic financing arrangement	640,666	638,135
Non-convertible Bonds and Sukuk	2,770,548	3,532,495
Lease liabilities	191,858	230,049
	5,647,682	6,438,631
Less: cash and bank balances	(1,022,776)	(1,509,804)
Net debt	4,624,906	4,928,827
Equity attributable to equity holders of the parent	6,343,557	6,317,527
Adjustment for cumulative changes in fair values of derivatives	(45,225)	(146,101)
Total capital	6,298,332	6,171,426
Capital and net debt	10,923,238	11,100,253
Gearing ratio	42%	44%

34. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENT

34.1 Financial instruments

The accounting policies for financial instruments have been applied to the line items below:

	2024 AED '000	2023 AED '000
Derivative financial instruments	50,152	162,742
Trade and other receivables	416,621	416,132
Finance lease receivables	2,783,172	2,856,029
Cash and bank balances	1,022,776	1,509,804
Financial assets measured at amortised cost	**4,222,569**	**4,781,965**
Trade and other payables	143,305	137,119
Interest bearing loans and borrowings	2,044,610	2,037,952
Islamic financing arrangement	640,666	638,135
Non-convertible Bonds and Sukuk	2,770,548	3,532,495
Lease liabilities	191,858	230,049
Financial liabilities measured at amortised cost	**5,790,987**	**6,575,750**

For the purpose of the financial instrument's disclosure, non-financial assets and non-financial liabilities have been excluded from 'trade and other receivables' and 'trade and other payables', respectively.

34. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENT (CONTINUED)

Fair values of financial instruments

The fair values of the Group's financial assets and liabilities are not materially different from their carrying values at the reporting date except for finance lease receivables, interest bearing loans and borrowings, Islamic financing arrangement, non-convertible bonds and Sukuk and lease liabilities. Set out below is a comparison of carrying amounts and fair values of such instruments:

	Carrying Amount		Fair Value	
	2024 AED '000	**2023** AED '000	**2024** **AED '000**	**2023** AED '000
Asset (liabilities) measured at fair value				
Interest rate swaps	50,152	162,742	50,152	162,742
Assets (liabilities) for which fair value is disclosed				
Financial assets				
Finance lease receivables	2,783,172	2,856,029	2,990,491	3,126,916
Financial liabilities				
Interest bearing loans and borrowings	2,044,610	2,037,952	2,033,118	2,067,006
Islamic financing arrangement	640,666	638,135	640,879	647,310
Non-convertible bonds and Sukuk	2,770,548	3,532,495	2,774,952	3,489,350
Lease liabilities	191,858	230,049	225,334	256,541

34. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENT (CONTINUED)

34.2 Fair value hierarchy

As at 31 December 2024 and 2023, the fair value measurement hierarchy of the Group's assets and liabilities is as follows:

	2024				2023			
	31 December 2024 AED'000	**Level 1** AED'000	**Level 2** AED'000	**Level 3** AED'000	**31 December 2023** AED'000	**Level 1** AED'000	**Level 2** AED'000	**Level 3** AED'000
Assets /(Liabilities) measured at fair value								
Interest rate swaps	50,152	-	50,152		162,742	-	162,742	-
Assets for which fair values are disclosed								
Finance lease receivables	2,990,491	-	-	2,990,491	3,126,916	-	-	3,126,916
Liabilities for which fair values are disclosed								
Interest bearing loans and borrowings	2,033,118	-	-	2,033,118	2,067,006	-	-	2,067,006
Islamic financing arrangement	640,879	-	-	640,879	647,310	-	-	647,310
Non-convertible bonds and Sukuk	2,774,952	2,774,952	-	-	3,489,350	3,489,350	-	-
Lease liabilities	225,334	-	-	225,334	256,541	-	-	256,541
	5,674,283	2,774,952	-	2,899,331	6,460,207	3,489,350	-	2,970,857

During the reporting years ended 31 December 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

34. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENT (CONTINUED)

34.2 Fair value hierarchy (Continued)

The following methods and assumptions were used to estimate the fair values for assets and liabilities measured at fair value:

Derivative financial instruments

- The Group enters into derivative financial instruments with various banks and financial institutions with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are interest rate swaps. The most frequently applied valuation techniques include swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, interest rate curves and forward rate curves of the underlying commodity..

Other financial assets (liabilities)

- Fair values of other financial assets and liabilities are estimated by discounting future cash flows using prevailing current market rates.

34.3 Hedging activities

Cash flow hedges

- The Group is exposed to variability in future interest cash flows on interest bearing loans and borrowings which bear interest at a variable rate.
- In order to hedge its exposure to variable interest rate fluctuations on its interest bearing loans the Group has entered into interest rate swaps with counter-party banks designated as cash flow hedges for notional amounts that mirror the drawdown and repayment schedule of the respective loans. The cashflow hedges are assessed as fully effective based on management qualitative assessment of the critical terms of the hedging arrangements. The notional amount of the interest rate swaps was AED 2,541 million as at 31 December 2024 (2023: AED 2,600 million).
- Upon derecognition, the cumulative fair value change recognized in OCI is recycled to consolidated profit and loss account. During the year fair value of hedge amounting to AED Nil (2023: AED 100.6 million) was recycled to profit and loss upon termination (note 24).

The schedule indicating the maturity profile of the derivative related assets and liabilities as at 31 December is as follows:

	Within 1 year AED '000	**More than 1 Year** AED '000	**Total** AED '000
2024			
Cash inflows (assets)	1,542	55,425	56,967
Cash outflows (liabilities)	(1,527)	(6,591)	(8,118)
Net cash outflows	**15**	**48,834**	**48,849**
2023			
Cash inflows (assets)	140,788	52,265	193,053
Cash outflows (liabilities)	(13,352)	(8,118)	(21,470)
Net cash outflows	**127,436**	**44,147**	**171,583**

All derivative contracts are with counterparty banks in UAE.

35. COMPARATIVE INFORMATION

35 Comparative information

In order to conform with current period presentation, the comparative figures for right of use assets, property, plant and equipment, trade and other receivables and trade and other payables in the previous period have been reclassified. Such reclassification does not affect the previously reported profit, comprehensive income or equity.

Statement of financial position as at 31 December 2023

	Previously reported amount AED '000	Reclassification AED '000	Revised amount AED '000
Property, plant and equipment			
Cost – net of impairment	6,611,896	(59,243)	6,552,653
Accumulated depreciation	(2,090,865)	9,899	(2,080,966)
Net carrying amount	4,521,031	(49,344)	4,471,687
Right-of-use asset			
Cost – net of impairment	339,081	59,243	398,324
Accumulated depreciation	(117,408)	(9,899)	(127,307)
Net carrying amount	221,673	49,344	271,017

	Previously reported amount AED '000	Reclassification AED '000	Revised amount AED '000
Trade and other receivables	691,040	26,433	717,473
Trade and other payables	759,098	26,433	785,531
Depreciation of property, plant and equipment	210,441	(1,171)	209,270
Depreciation right-of-use assets	28,506	1,171	29,677

This above reclassification did not affect the previously reported profit, total assets and total equity of the Group.

Thank **You**

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