National Central Cooling Company

H1 2025 Earnings Presentation

8 August 2025

essential for progress

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Key Highlights

Adel Al Wahedi, Chief Financial Officer

H1 2025 Key Highlights

Record High Organic Growth in H1 driven by strong Q2

New Connections[1]	Capacity[1]	Revenue
41.6 k RT	**1.37** m RT	AED **1.1** bn
+1.9x *FY 2024*	***+4%*** *YoY*	***+3%*** *YoY*

Superior Profitability

EBITDA	EBITDA Margin	Net Profit
AED **632** m	**57.0**%	AED **276** m
+5% *YoY*	***+1.2%*** *YoY*	***+2.5%*** *YoY*

Robust Balance Sheet & Cash Position

Net Debt / EBITDA	Cash & ST Deposits	Free Cash Flows[2]
3.7x	AED **881** m	AED **973** m
-0.5x *YoY*	***+52%*** *YoY*	***+3%*** *YoY*

Milestones

- **41.6k RT** of record high organic capacity added in H1 2025, of which **37k RT** was added in Q2 2025
- Growth in consumption **volumes accelerated** to **8% YoY** in Q2 2025
- Revenue rises by **5% YoY in Q2 2025** (after being stable in Q1) driven by higher capacity and consumption volumes
- Signed a landmark deal in partnership with Dubai Holding Investments to provide **250k RT** to Dubai's 'Palm Jebel Ali'
- Acquisition of **PAL Cooling** at an enterprise value of **AED 4.1 bn,** through a 50:50 JV with CVC DIF

[1] Does not include PAL Cooling as acquisition is subject to obtaining all regulatory approvals

[2] Calculated on last 12 months basis

PAL Cooling - A transformative acquisition for Tabreed

PAL Cooling Overview

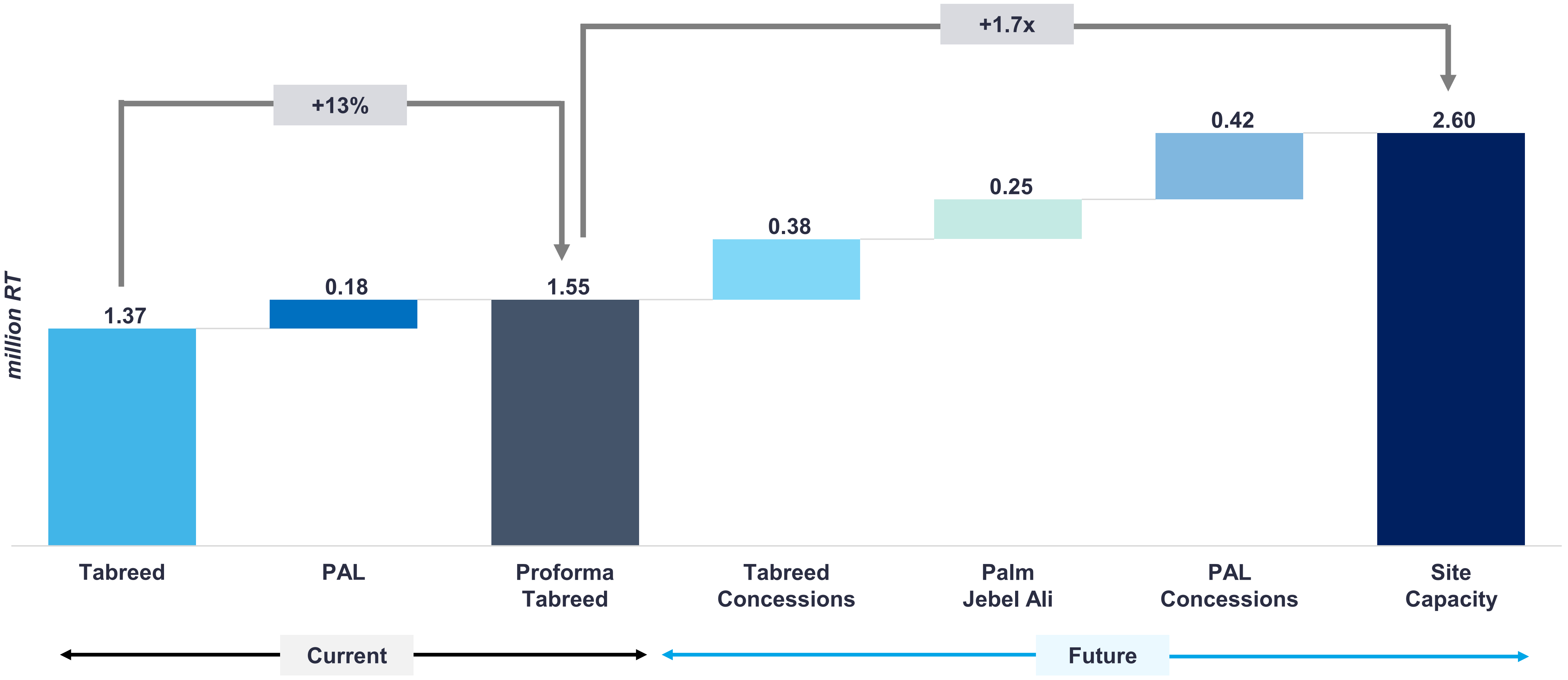
- **8 long-term concessions** in Abu Dhabi serviced by **5 operational plants** with current connected capacity of **182k RT**. Additional **plant under construction** and **3 plants in planning stage**. Combined capacity of the 9 plants expected to reach **600k RT** in the long-term.
- Larger exposure to **Al Reem Island**, a **strategic location** in Abu Dhabi with **strong growth potential**. Represents c. 90% of PAL's future site capacity.
- Long-term contracts with **B2B** business serving **blue-chip real estate developers** (e.g. Aldar, Modon, Imkan). **Average tenor** of remaining contract life of **25 years.**
- Robust **growth track record** over the past 3 years with **revenue and EBITDA CAGR** of **7.5% and 9%**, **superior EBITDA margin** of 60% in 2024.

Strategic Rationale

- ✓ **Increased Scale & Diversification:** Tabreed's pro-forma connected capacity to increase to **1.55 m RT** post transaction completion; Further diversifies **portfolio of blue-chip customers**, including establishing relationship with Modon, a fast growing and leading real estate developer in Abu Dhabi
- ✓ **Enhanced Growth Pipeline:** Strengthens our position as a global leader in District Cooling with site capacity, including Palm Jebel Ali and PAL acquisition, of ~2.6 m RT. This provides us with secured future capacity of **more than 1.0 m RT** or 80% of Tabreed's current connected capacity
- ✓ **Strong Synergy Potential:** **Operation & Maintenance** of PAL Cooling to be undertaken by Tabreed starting 2026. **Inter-connection** of Tabreed and PAL networks, thereby leveraging the surplus capacity for future connections with **minimal capex outlay**
- ✓ **De-risked Transaction Structure:** Preserves **investment grade credit rating** and ability to **distribute dividends**; flexibility to **consolidate assets in future** upon CVC DIF's exit through a call option

Closing of PAL Cooling acquisition transaction is subject to regulatory approvals

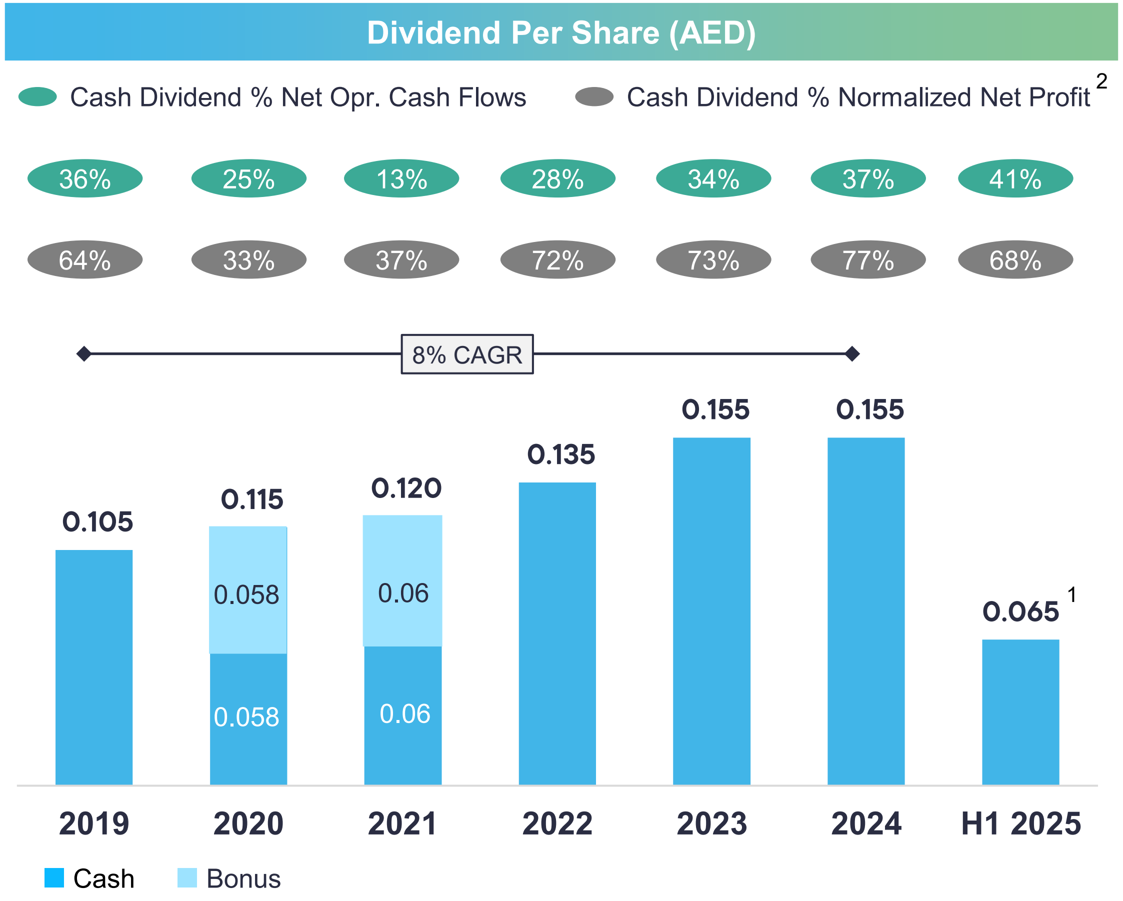
Significant future capacity secured, materialization of pipeline offers upside



Tabreed Current Capacity as of 30 June 2025; PAL Current Capacity as of 31 December 2024
Tabreed, Palm Jebel Ali and PAL Concession Capacity as of 30 June 2025 based on latest development plan from master developers

Interim dividend proposed, demonstrating confidence in outlook and focus on shareholders returns

- ✓ Dividends have grown at a CAGR of 8% over the last five years.
- ✓ Following strong H1 2025 performance, resilient balance sheet position and continued cash generation, Tabreed's Board of Directors proposed an interim cash dividend of 6.5 fils per share for the first half of 2025.
- ✓ First interim dividend in the company's history, demonstrating the Board's confidence in Tabreed's performance, outlook and ability to deliver sustainable long-term value to shareholders.
- ✓ H1 2025 cash dividend payout as a percentage of net operating cash flows or net profit remains broadly in line with historical average.
- ✓ The payment of interim dividend remains subject to shareholders approval at the General Assembly Meeting expected to be convened in September 2025.



[1] Dividend proposed by the Board for H1 2025 is subject to shareholders approval at upcoming General Assembly

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

02
H1 2025 Financial Results

Salik Malik, Vice President - Finance

Financial Summary – H1 2025

Income Statement

	H1 2025	H1 2024	YoY (%)
Revenue	**1,109**	**1,080**	***3%***
Gross Profit	532	527	*1%*
EBITDA	**632**	**603**	***5%***
Operating Profit	394	381	*3%*
Profit Before Tax	318	307	*4%*
Net Profit	**276**	**269**	***2.5%***

Balance Sheet

	H1 2025	FY 2024	YTD (%)
Non-current Assets	11,980	12,067	*(1)%*
Current Assets	2,020	2,051	*(2)%*
Total Assets	**13,999**	**14,118**	***(1)%***
Total Equity	6,760	6,962	*(3)%*
Total Debt	5,674	5,648	*0%*
Other Liabilities	1,566	1,508	*4%*
Total Equity & Liabilities	**13,999**	**14,118**	***0%***

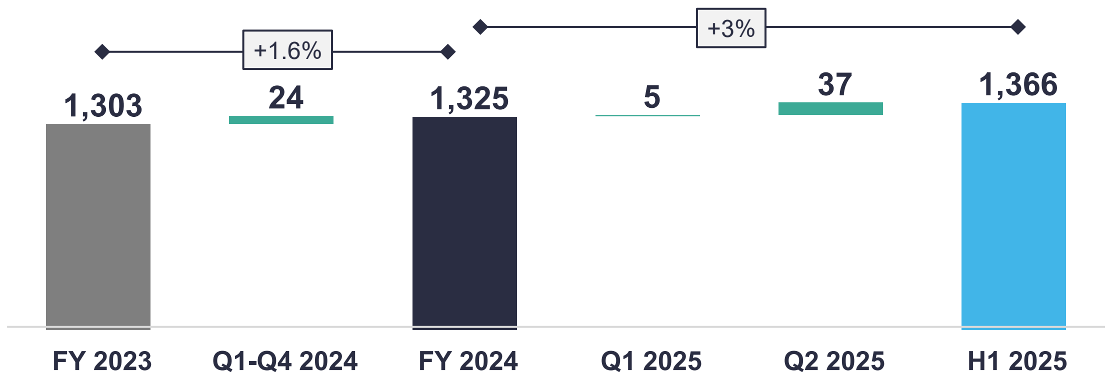
Cash Flows

	H1 2025	H1 2024	YoY (%)
Cash flows from Oper.	634	607	*4%*
Changes in Working Cap.	(183)	(113)	*61%*
Net Oper. Cash Flows	**451**	**494**	***(9)%***
Net Inv. Cash Flows	**(29)**	**(75)**	***(61)%***
Net Fin. Cash Flows	**(564)**	**(1,351)**	***(58)%***
Inc. / Dec. in cash	(142)	(932)	
Closing Cash	**881**	**578**	***52%***

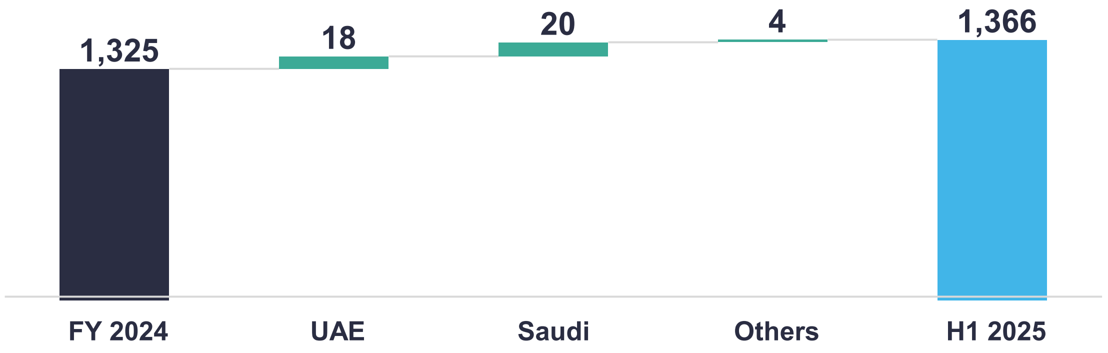
All figures in AED millions (unless stated explicitly) rounded to nearest whole number

Operational Highlights

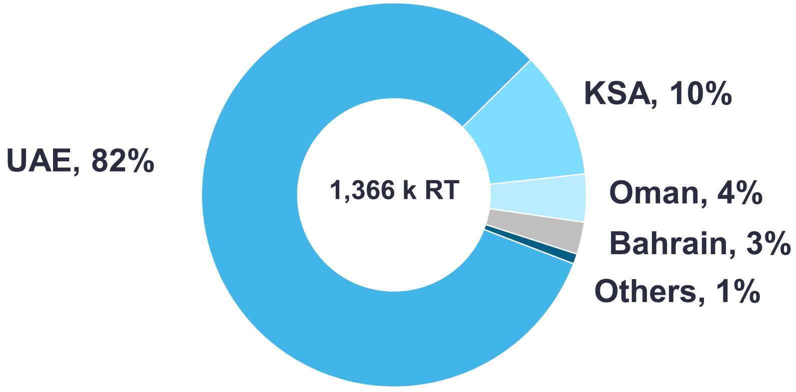
Capacity Additions by Quarter (k RT)



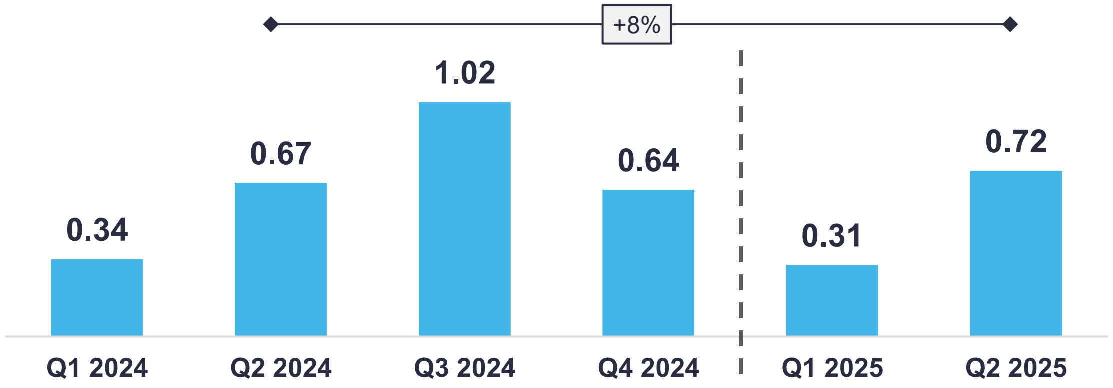
Capacity Additions by Country (k RT)



Connected Capacity by Country

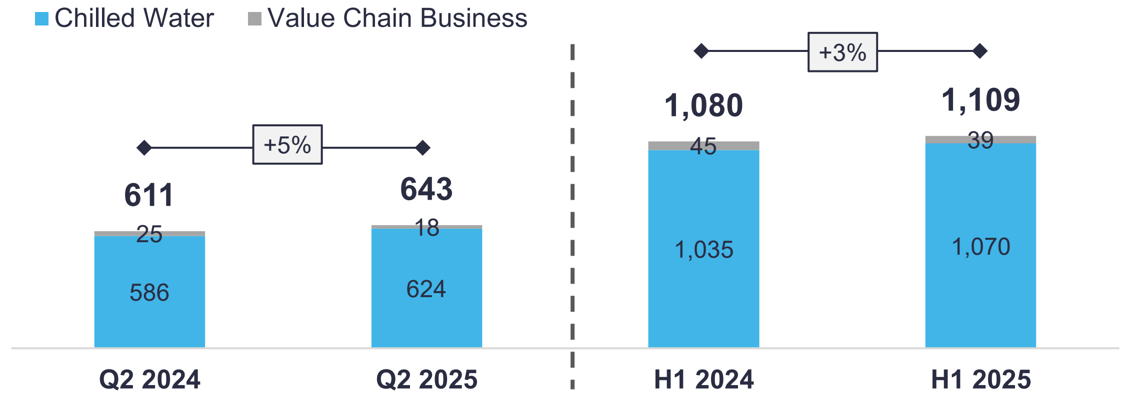


Consolidated Consumption Volumes (billion RTh)

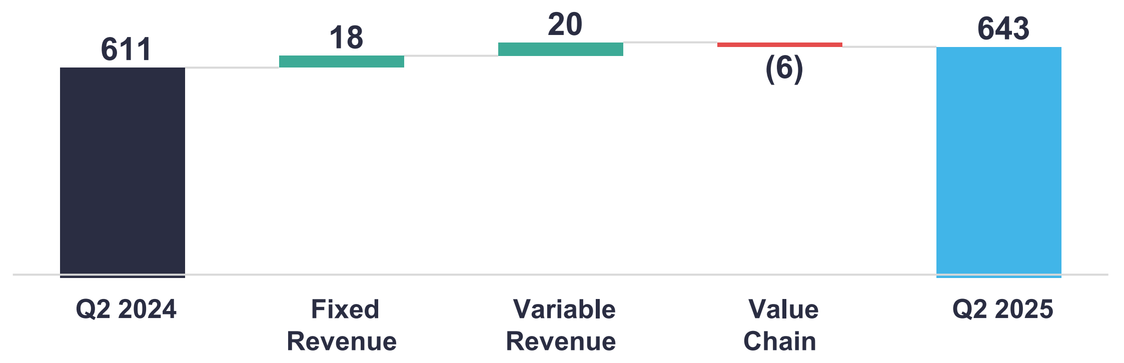


Revenue Highlights

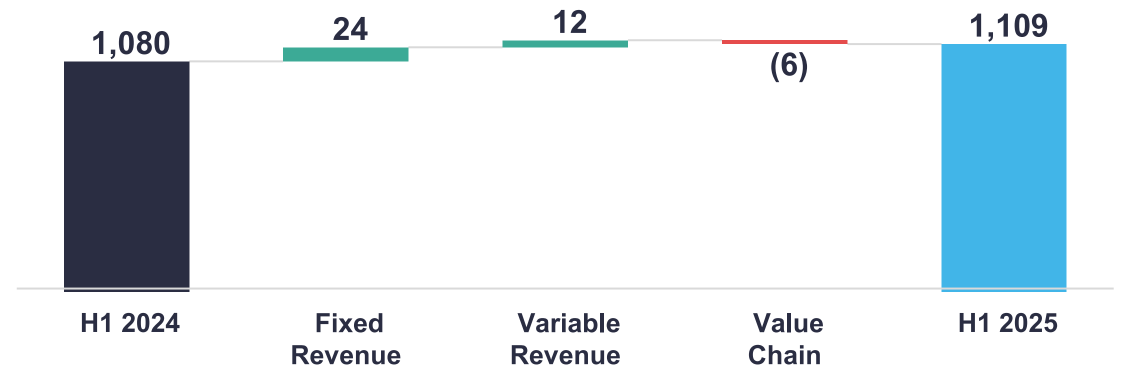
Revenue



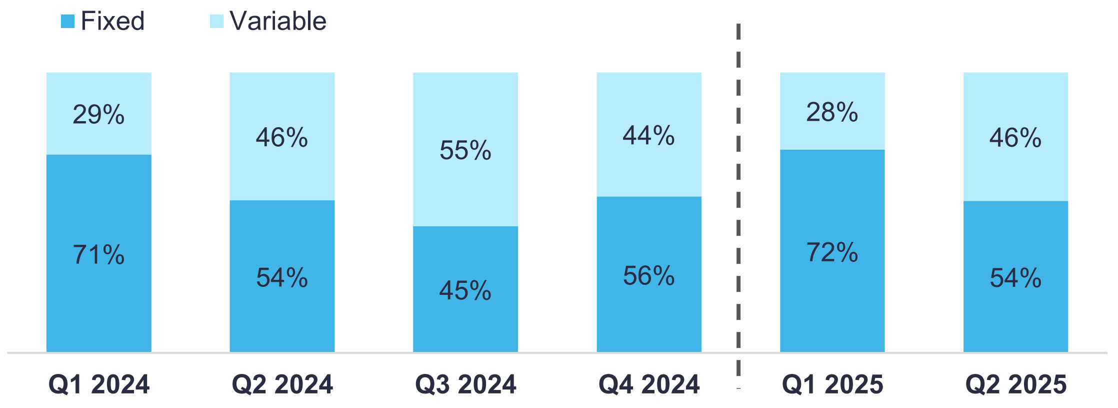
Q2 2025 Revenue Movement (YoY)



H1 2025 Revenue Movement (YoY)



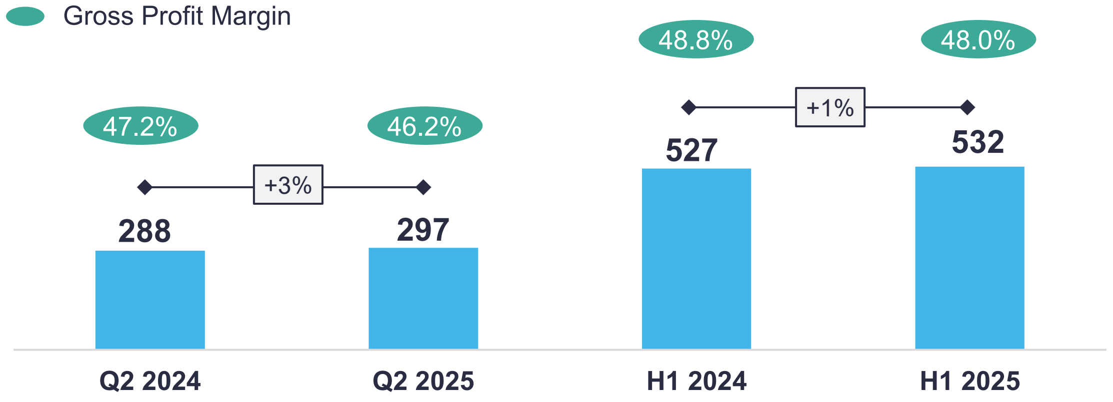
Chilled Water Revenue Breakdown



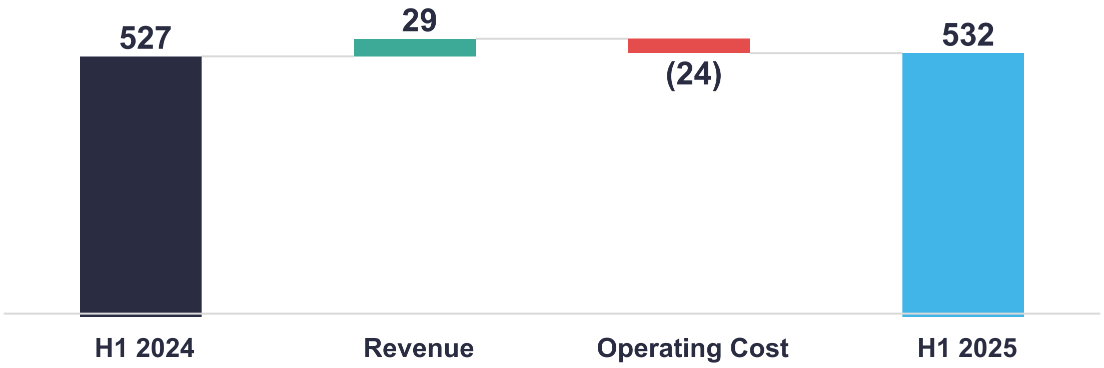
All figures in AED millions (unless stated explicitly) rounded to nearest whole number

Profitability Highlights

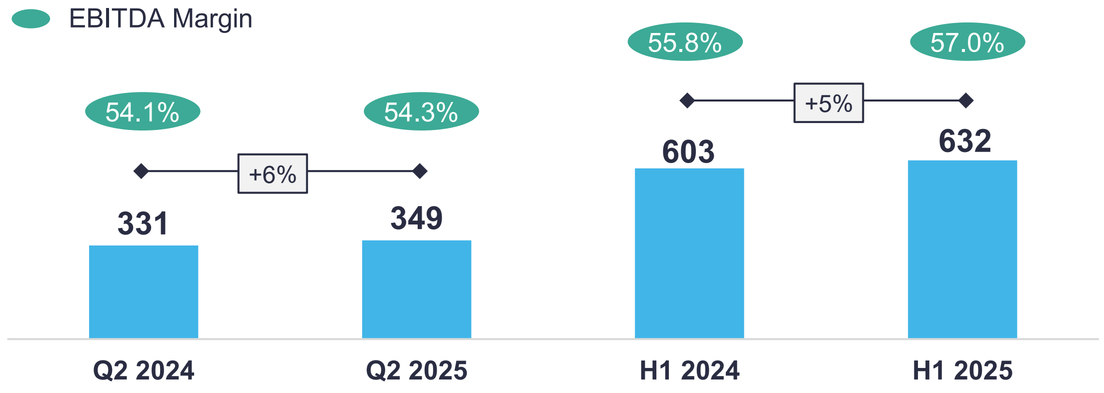
Gross Profit



H1 2025 Gross Profit Movement (YoY)



EBITDA

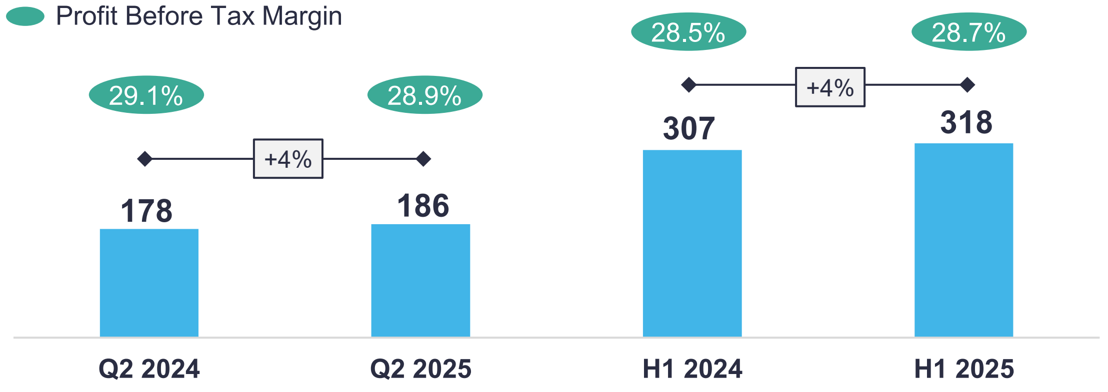


H1 2025 EBITDA Movement (YoY)

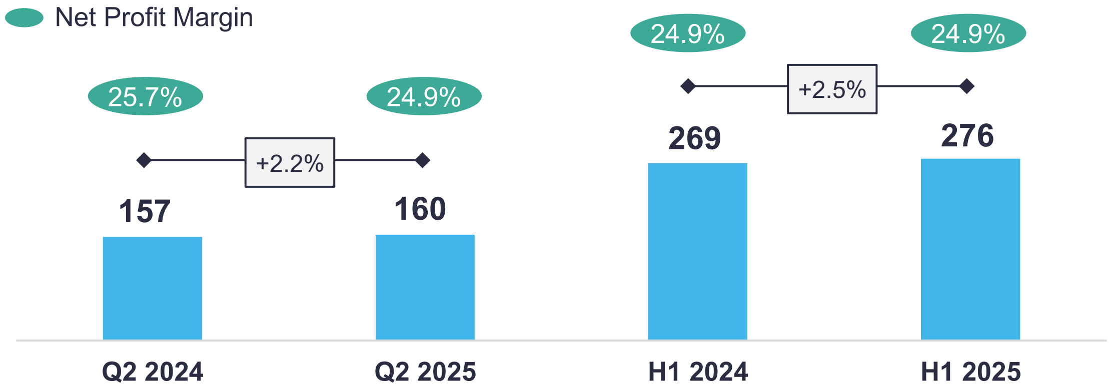
All figures in AED millions (unless stated explicitly) rounded to nearest whole number

Profitability Highlights (cont.)

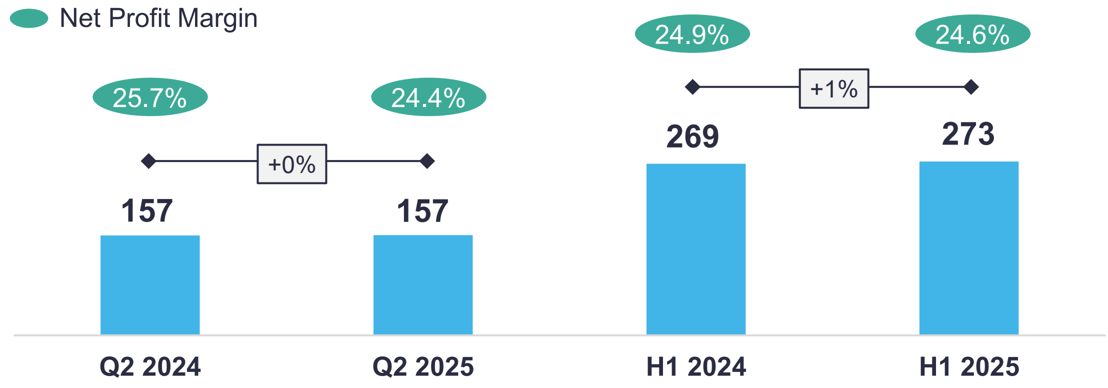
Profit Before Tax



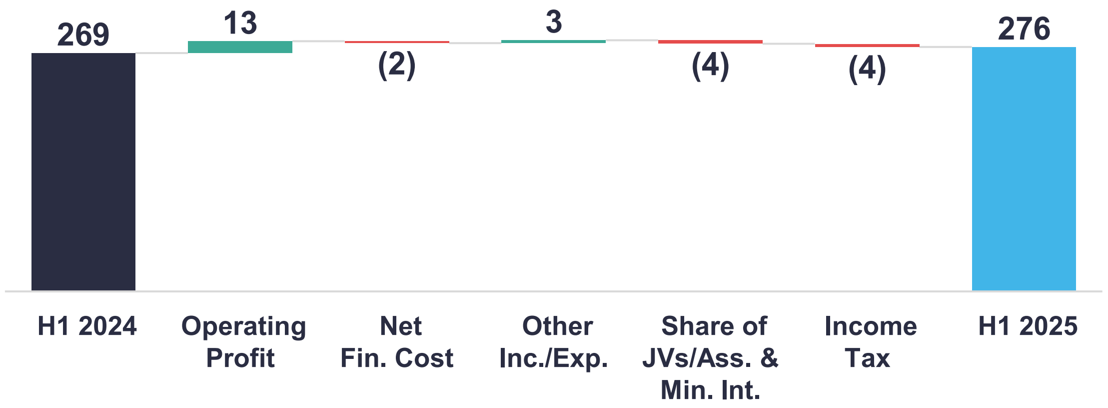
Net Profit



Normalized Net Profit[1]



H1 2025 Net Profit Movement (YoY)



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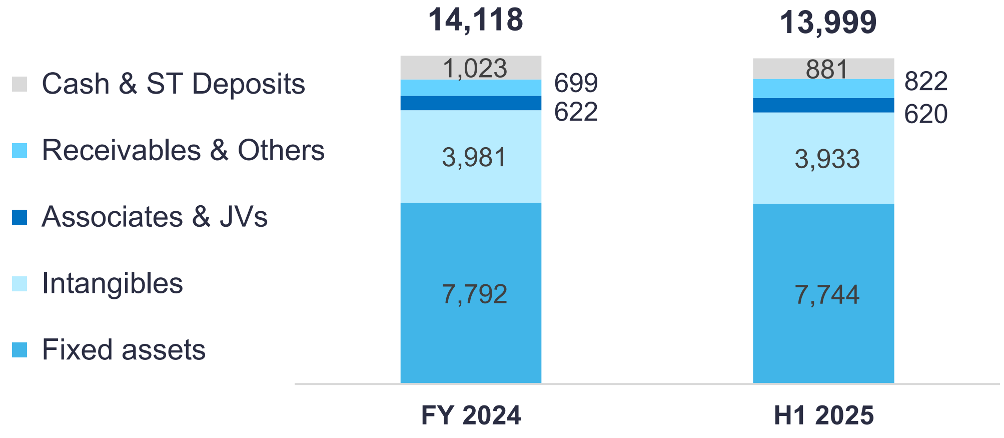
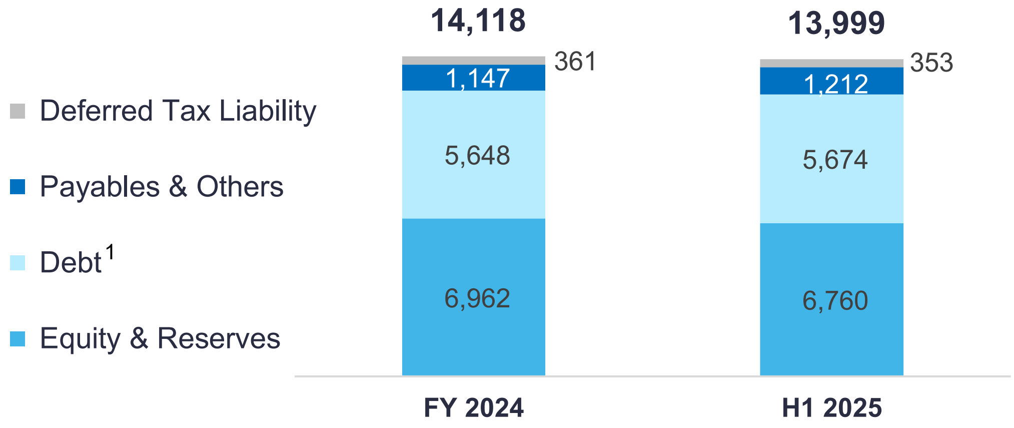
[1] Normalized Net Profit is calculated after excluding one-off gains and losses, which are non-recurring in nature

Balance Sheet Highlights

Balance Sheet Summary

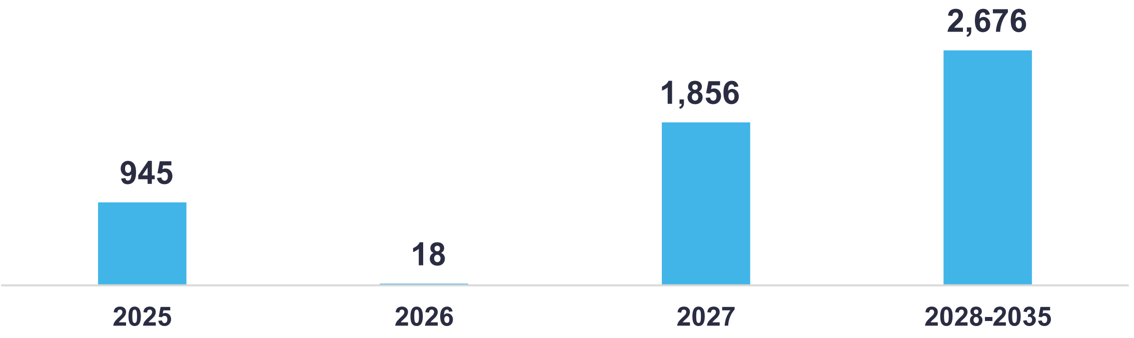




Debt and Leverage Ratio

	FY 2024	H1 2025	YTD (%)
Gross Debt	**5,456**	**5,469**	***0%***
Finance Lease Liabilities	192	205	*7%*
Total Debt	**5,648**	**5,674**	***0%***
Cash & Short-term Deposits	1,023	881	*-14%*
Net Debt	**4,625**	**4,793**	***4%***
EBITDA – LTM	1,252	1,281	*2%*
Net Debt to EBITDA	**3.7x**	**3.7x**	

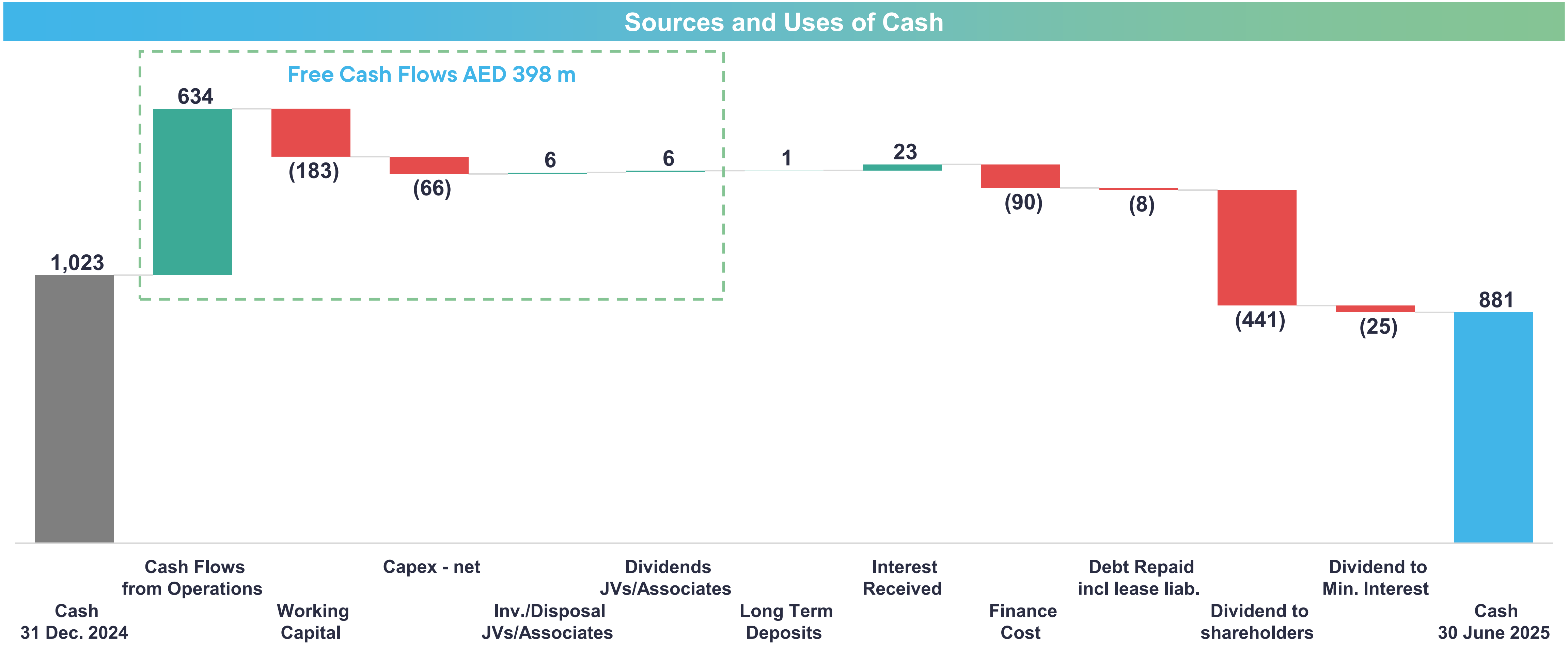
Debt Maturity Profile



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

[1]Debt includes finance lease liability

Surplus cash deployed in servicing debt and distributing shareholder dividends



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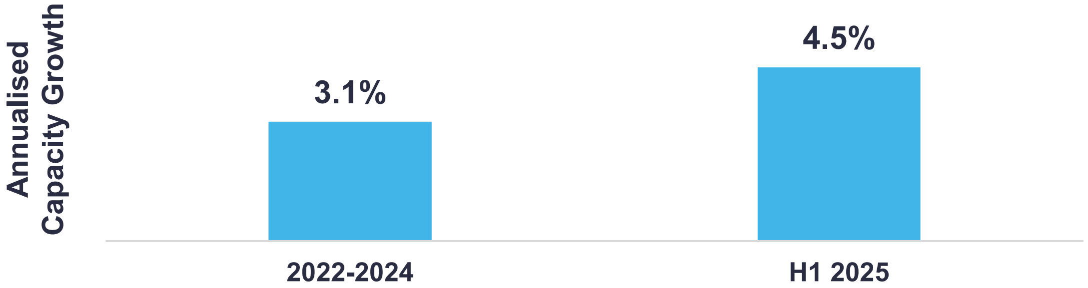
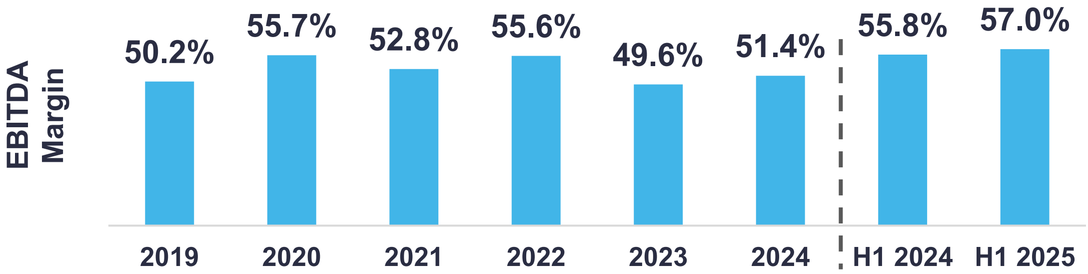
03
Guidance & Concluding Remarks

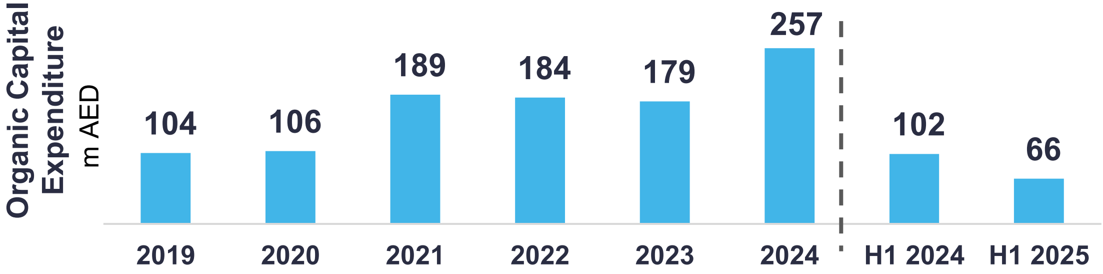
Adel Al Wahedi, Chief Financial Officer

Strong momentum in H1 2025 - Guidance Reiterated

Historical Performance







Medium-term Guidance (2025 – 2027)

Capacity Growth[1]

3-5
% p.a.

Organic Capex

200-300
AED m p.a.

EBITDA Margin

50-53
%

Leverage

Maintain **Investment Grade** Credit Rating

[1] Medium term guidance is based on visibility of contracted capacity and connections under advanced stages of signing plus small-scale acquisitions

Concluding Remarks - Strong growth opportunities for district cooling

Rapid Urbanization & Infrastructure Expansion

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

Energy Resilience & Decarbonisation Push

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

Government Regulations

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

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

Appendix

Key investment highlights

1. **District Cooling Market:** large, growing with strong secular tailwinds
2. **Operational Excellence:** 27-year track record of safety, reliability and innovation
3. **Cash Flow Generation:** strong, resilient and underpinned by long-term contracts
4. **Growth:** proven growth engine with de-risked avenues for future growth
5. **Commitment to Sustainability:** aligned with national objectives

Corporate Strategic Framework

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

	GROWTH	EXCELLENCE	GOVERNANCE	PEOPLE	INNOVATION
STRATEGIC PILLARS	**GROWTH**	**EXCELLENCE**	**GOVERNANCE**	**PEOPLE**	**INNOVATION**
STRATEGIC OBJECTIVES	Local & International Growth Achieve sustainable growth by expanding footprint in existing markets and establishing presence in new markets	Business Excellence Maximize value creation by achieving safe, efficient & reliable operations, leveraging digital transformation, and delivering exceptional customer service	Governance & Control Implement best practices in environmental sustainability, social responsibility, and governance to future proof our business	People Focus Attract, develop, and retain top talent to deliver business priorities and become an employer of choice by delivering a superior employee experience	R&D and Innovation Foster a culture of innovation by investing in research & development and technological advancements in the district cooling industry

STRATEGIC PRIORITIES

Sustainable Growth & Returns | **Financial Discipline** | **Investment Grade Credit Rating**

- Safe & Reliable Operations
- Energy Efficiency & Decarbonisation
- Customer Experience
- Governance Standards
- Positive Environmental & Social Impact
- Employee Engagement & Development
- Industry Leadership

Tabreed delivered robust financial track record over the past 5 years

	2019	2024	
Capacity (000 RTs)	965	1,325	+7% CAGR
Volumes (bn RTH)	1.53	2.66	+12% CAGR
Revenue (m AED)	1,520	2,434	+10% CAGR
EBITDA (m AED)	763	1,252	+10% CAGR
EBITDA Margin	50.2%	51.4%	+123 bps
Profit Before Tax (m AED)	481	662	+7% CAGR
Free Cash Flows (m AED)	595	971	+10% CAGR

- **Strong growth track record:** Added c. 77k RT of annual capacity in the past 5 years (incl. acquisitions) driving 10% revenue CAGR
- Historically, growth is driven by mix of organic and inorganic - continue to see strong future pipeline across both greenfield and M&A opportunities
- Despite higher growth in low margin consumption revenue, Tabreed maintained stable profitability margins underpinned by energy savings and cost optimization initiatives
- Robust free cash generation utilized to strengthen balance sheet and enhance dividend payout to shareholders

Sustainability Framework

Tabreed's ESG framework is built on three core pillars

ESG PILLARS	ENVIRONMENT STEWARDSHIP	SOCIAL RESPONSIBILITY	GOVERNANCE EXCELLENCE
OBJECTIVES	**Decarbonisation** Pursuing a roadmap to achieve net zero emissions by 2050 **Water Management** Minimize water consumption per unit of cooling produced **Waste Management** Manage waste generation across operations to reduce resource consumption	**Health & Safety** Protect people, contractors & community by integrating top-tier HSE standards into operations **Employees** Promote employee well-being, development, engagement and diversity, equality & inclusion (DE&I) **Communities** Foster strong customer & supplier relationships and community well-being	**Transparency** Maintaining accountability and fairness by adhering to global reporting standards **Controls** Strengthening oversight mechanisms through code of conduct, alignment with SCA governance regulations, implementing ethical framework, effective risk management and internal controls, and comprehensive set of policies

PRIORITY AREAS

Health, Safety and Well-being · Water Management · Energy Efficiency & Optimisation · Climate Change Mitigation · Renewable Energy Integration · Employee Engagement & Development · Customer Relations & Engagement · Business Ethics & Corporate Governance · Supply Chain Management & Decarbonisation

Net Zero commitment and decarbonization principles

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

Net Zero by 2050

- **Energy Efficiency & Optimisation**
  Expanding optimisation efforts across district cooling systems to achieve further reductions in energy consumption and emissions
- **Technology Upgrades**
  Upgrading the district cooling systems with the latest innovations to enhance operational efficiency and reduce environmental footprint
- **Renewable Energy Integration**
  Scaling renewable energy projects in the long term, including solar PV and geothermal technologies
- **Innovation & Strategic Partnerships**
  Strengthening partnerships with governments, industries, and communities to scale sustainable solutions and collectively address climate challenges
- **Supply Chain Management & Decarbonization**
  Collaborating with suppliers to align procurement practices with our Net Zero targets, ensuring environmentally sustainable and socially responsible sourcing
- **Compensating for Residual Emissions through Offsetting**
  Expanding the scope of Verified Carbon Standard certifications to include new district cooling plants, enabling participation in carbon markets

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

Variable Frequency Drives (VFDs) Retrofit

Completed an extensive programme to retrofit electric motors with VFDs

23 million kWh energy savings expected over the next 10 years

Use of Nanofluid Particles

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

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

Geothermal Energy

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

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

Connected Capacity and Volumes

Consolidated	2020	2021	2022	2023	2024	H1 2025
UAE	928	1,025	1,060	1,053	1,066	1,084
Bahrain	32	33	34	37	37	37
Oman	32	33	52	53	55	55
India	-	-	-	1	4	6.0
Egypt	-	-	-	3	4.5	6.0
Total Consolidated	**992**	**1,091**	**1,146**	**1,146**	**1,166**	**1,188**
Equity Accounted						
UAE	71	9	9	33	33	33
KSA	110	110	110	124	126	146
Total Equity Accounted[1]	**181**	**119**	**119**	**157**	**159**	**179**
Total Capacity (k RT)	**1,174**	**1,210**	**1,264**	**1,303**	**1,325**	**1,366**
Consolidated Consumption Volumes (billion RTh)	**1.70**	**2.10**	**2.35**	**2.53**	**2.66**	**1.03**

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

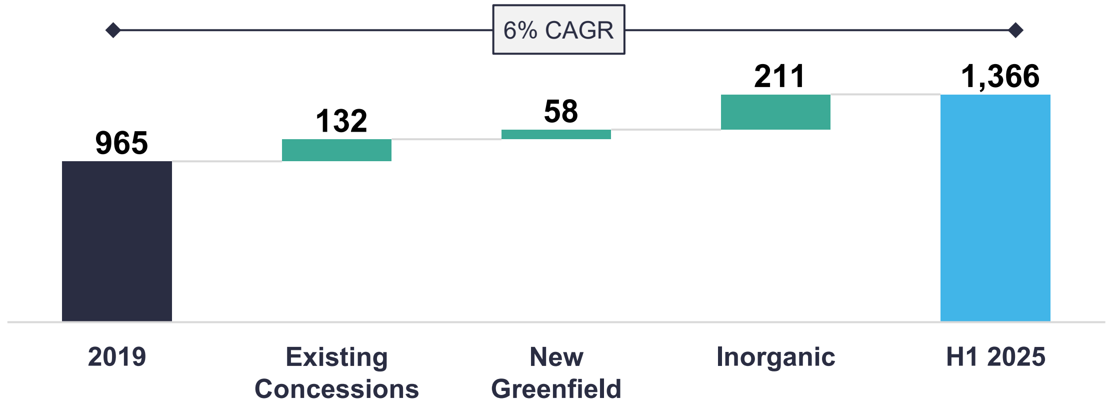
Income Statement

	Q2 2025	Q2 2024	YoY (%)	H1 2025	H1 2024	YoY (%)
Revenue	**643**	**611**	***5%***	**1,109**	**1,080**	***3%***
Operating Costs (incl. D&A)	(346)	(323)	*7%*	(576)	(553)	*4%*
Gross Profit	**297**	**288**	***3%***	**532**	**527**	***1%***
G&A Expenses	(64)	(70)	*(9)%*	(138)	(146)	*(6)%*
Operating Profit	**233**	**219**	***7%***	**394**	**381**	***3%***
Net Finance Cost	(59)	(54)	*9%*	(95)	(93)	*2%*
Other Income / (loses)	5	1	*255%*	5	2	*177%*
Share of Results of Ass. / JVs	6	12	*(46)%*	15	18	*(20)%*
Profit Before Tax	**186**	**178**	***4%***	**318**	**307**	***4%***
Income Taxes	(16)	(13)	*19%*	(27)	(23)	*15%*
Profit After Tax	**170**	**165**	***3%***	**291**	**284**	***3%***
Non-controlling Interest	9	8	*21%*	15	15	*4%*
Net Profit to Parent	**160**	**157**	***2%***	**276**	**269**	***2%***
Net Profit Margin (%)	*24.9%*	*25.7%*		*24.9%*	*24.9%*	
EBITDA	**349**	**331**	***6%***	**632**	**603**	***5%***
EBITDA Margin (%)	*54.3%*	*54.1%*		*57.0%*	*55.8%*	

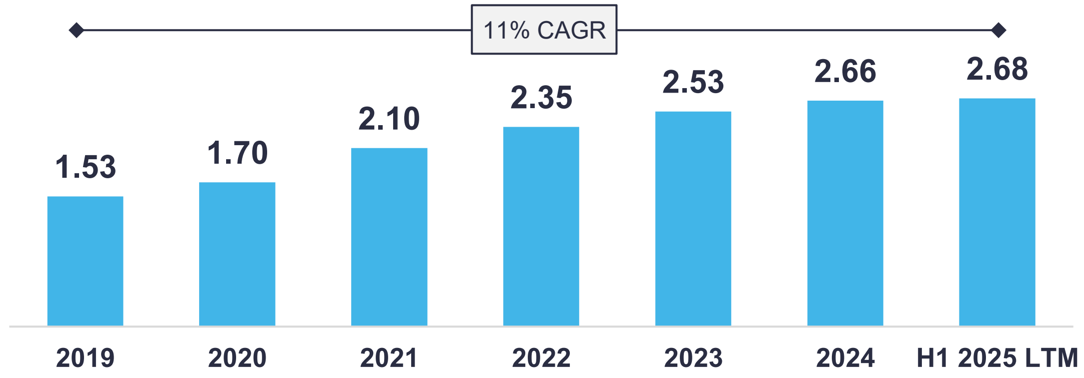
All figures in AED millions (unless stated explicitly) rounded to nearest whole number

Tabreed delivered robust capacity growth driving strong revenue expansion

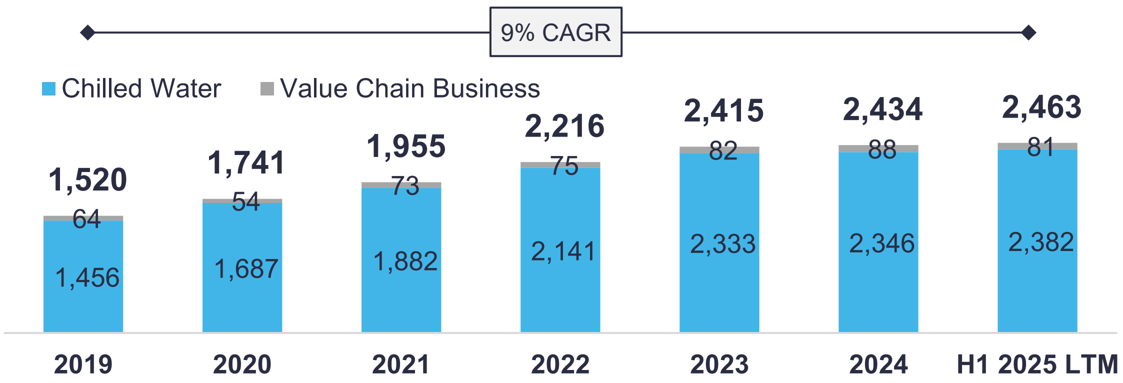
Robust Capacity Growth (k RT)



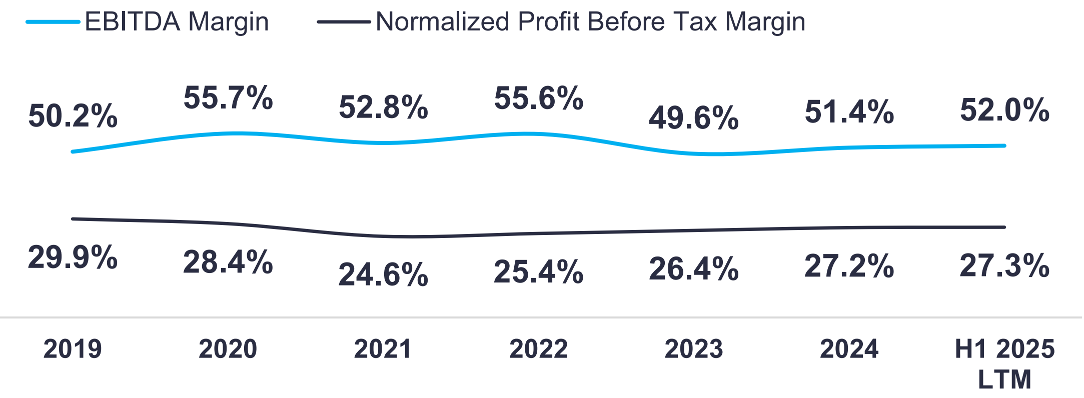
Strong Consumption Volume Growth (bn RTh)



Strong Revenue Expansion (m AED)



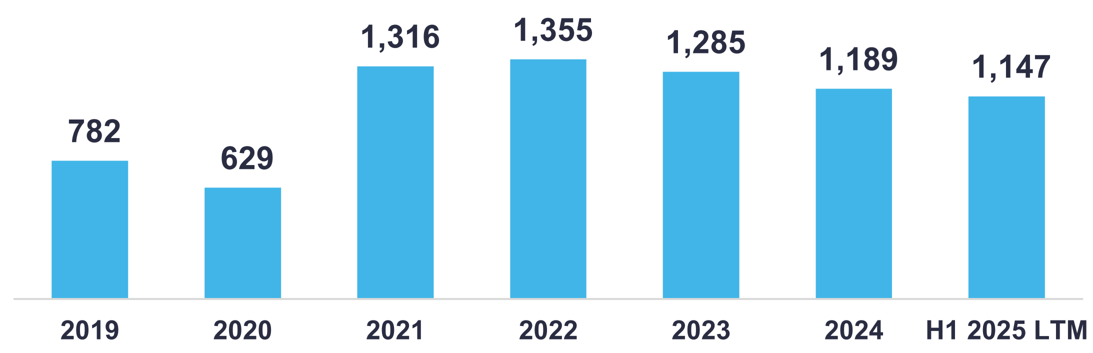
Stable Profitability Margins[1]



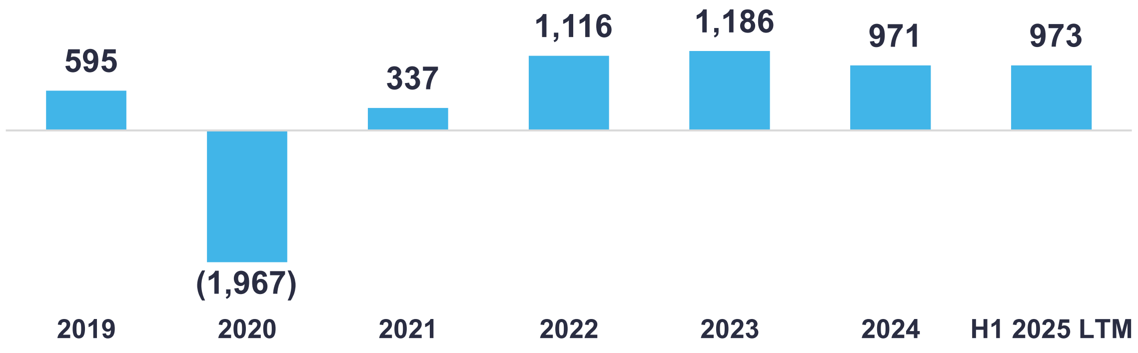
[1] Normalized Profit Before Tax Margin excludes the impact of one-off gains and losses

Solid cash generation from operations and improving returns

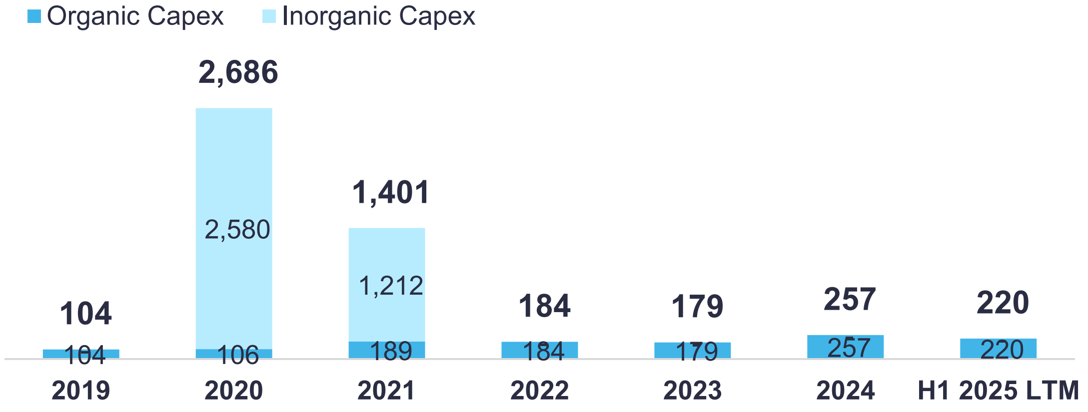
Visible and Predictable Operating Cash Flows (m AED)



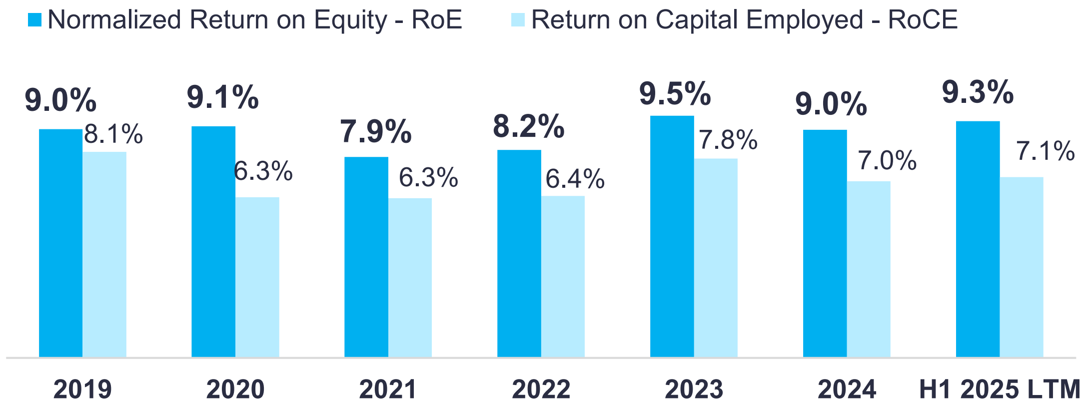
Robust Free Cash Flow Generation (m AED)



High Capacity to Invest in Business Expansion (m AED)



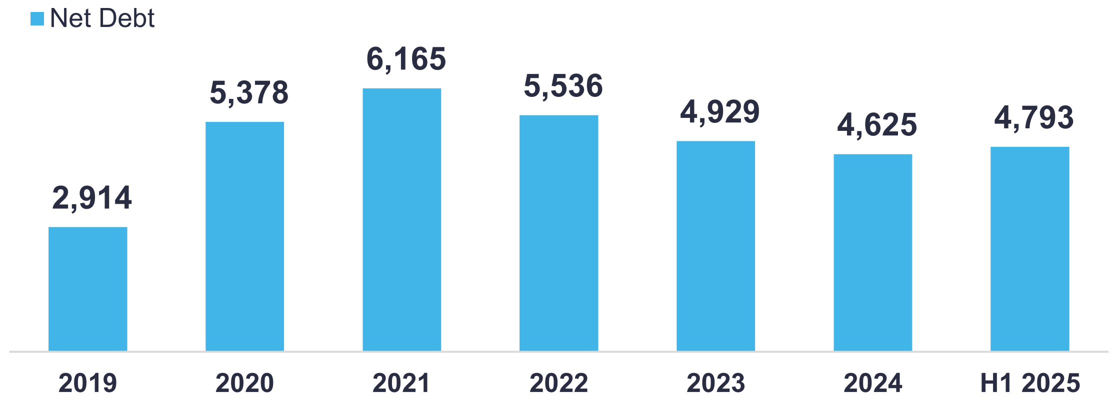
Return Ratios[1]



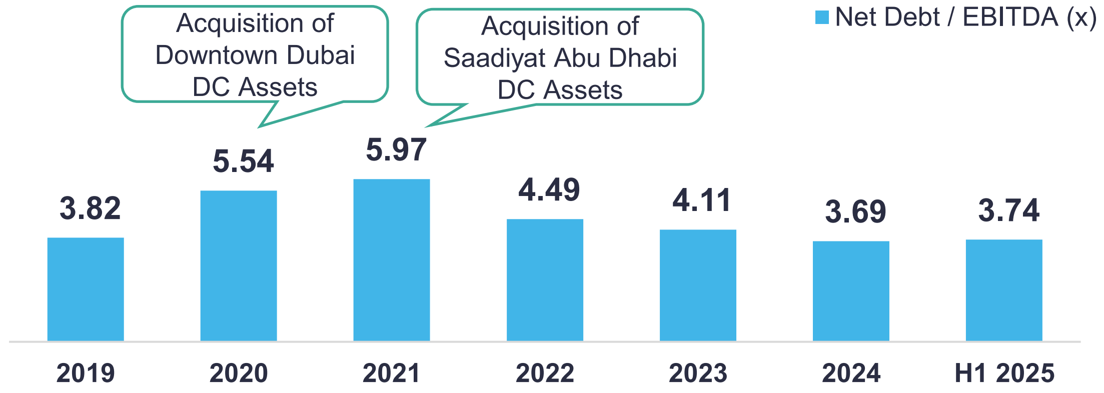
[1] Normalized Return on Equity is calculated after excluding one-off gains and losses from net profit

Cash flows underpin very effective balance sheet management and debt optimisation

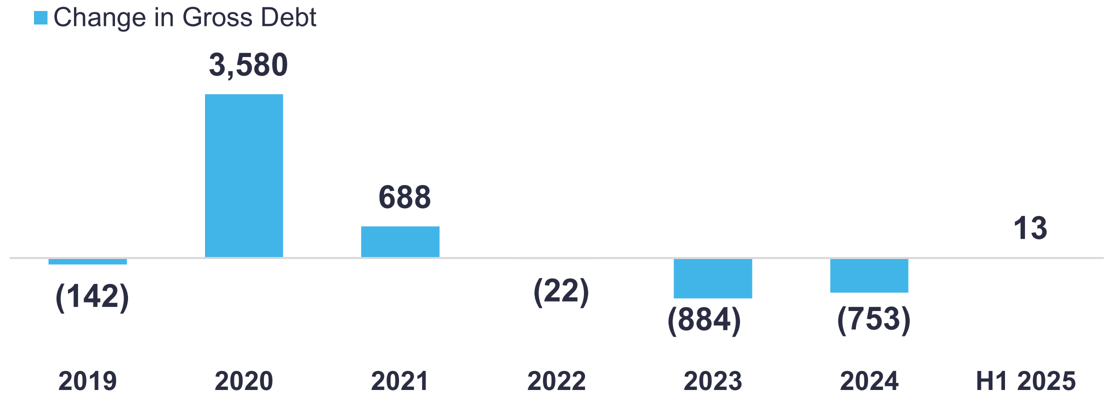
Net Debt Profile Tracks Major Growth Investments (m AED)



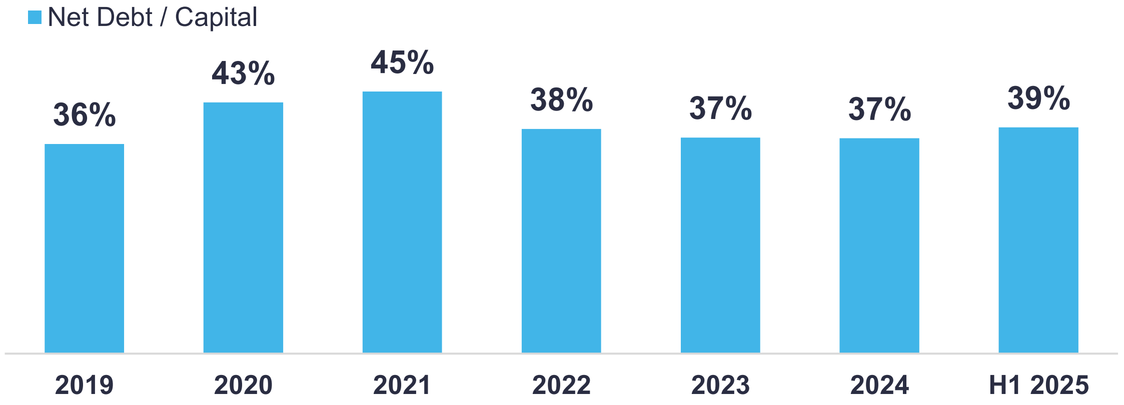
Fast Deleveraging Profile



Use of Surplus Cash for Debt Management (m AED)



Optimized Capital Structure Leaves Room for Expansion



Contact Us

Tabreed Investor Relations

Email: ir@tabreed.ae

For more information, please visit
www.tabreed.ae/investor-relations

Salik Malik

Vice President, Finance

Tel: +971 2 202 0397
Email: smalik@tabreed.ae

Yugesh Suneja

Head of Investor Relations

Tel: +971 2 202 0479
Email: ysuneja@tabreed.ae