tabreed Sustainable Cooling

National Central Cooling Company PJSC

Management Discussion & Analysis Report

9M 2025 Results

essential for progress

November 2025

Table of Contents

9M 2025 Key Highlights

Financial Highlights

Revenue
AED 1,867 m
+1% YoY

EBITDA
AED 975 m
+5% YoY

Normalized Net Profit
AED 425 m
Stable YoY

Net Debt / LTM EBITDA
4.5 x
▲ 0.5x YoY

Return on Equity (LTM)
9.3%

Steady 9M 2025 performance underpinned by fixed revenues, sustained efficiency and strong liquidity

Total revenue stood at AED 1,867 million in 9M 2025, reflecting a 1% YoY increase, compared to 9M 2024, highlighting the strength of Tabreed's recurring, capacity-driven business model.

Gross Profit increased in line with revenue showing resilience of operating model and mitigation against cost inflation.

EBITDA grew 5% YoY to AED 975 million in 9M 2025, with margins expanding from 50.5% in 9M 2024 to 52.2% in 9M 2025, supported by scale benefits, cost optimization and operational efficiency.

Profit before tax remained nearly stable at AED 486 million in 9M 2025, despite increase in finance cost and lower other income.

Net Profit came in at AED 420 million in 9M 2025, compared to AED 425 million in 9M 2024.

Adjusted for one-offs in other income, **Normalized Net Profit** was stable at AED 425 million, with growth in operating profits offset by higher finance cost.

Cash flow generation remained healthy with operating cash flows of AED 986 million in 9M 2025, an increase of 5% YoY. **Free cash flows** turned negative at AED 611 million, reflecting the AED 1.2 billion investment in PAL Cooling.

Net Debt increased 27% YTD mainly as a result of investment in PAL Cooling. **Net Debt to EBITDA** reached 4.5x by the end of 9M 2025. Overall, Tabreed's financial position remains robust, supported by investment-grade credit ratings from Moody's and Fitch.

Demonstrating financial strength and positive outlook, Tabreed shareholders approved an **interim dividend** of 6.5 fils per share for H1 2025.

Business Highlights

Consumption Volumes

2.0 bn RTH

+0.3% YoY

# of Plants

94

Connected Capacity

1.377 m RT

+4.5% YoY

New Connections

52.9 k RT

+2.2x FY 2024

Strategic investments and partnerships position Tabreed for long-term growth

Tabreed completed two significant transactions in 2025. The acquisition of PAL Cooling Holding from Multiply Group in October 2025 and closing of a long-term concession for Palm Jebel Ali with Dubai Holding Investments.

The acquisition of PAL Cooling adds nearly 600k RT of site capacity across eight concessions in Abu Dhabi, including Al Reem Island. Additionally, the Palm Jebel Ali concession with Dubai Holding Investments will contribute up to 250k RT of site capacity, reinforcing Tabreed's role in powering Dubai's landmark developments.

Tabreed's total **connected capacity** reached 1.377 million RT by 9M 2025, driven by strong organic capacity additions.

Consumption volumes rose 0.3% YoY in 9M 2025 with Q3 consumption volumes coming soft due to milder temperature.

Connected Capacity (k RT)	2024	9M 2025
UAE	1,066	1,095
Bahrain	37	37
Oman	55	55
India	4	6
Egypt	4.5	6
Total Consolidated	**1,166**	**1,199**
UAE	33	33
KSA	126	146
Total Equity Accounted*	**159**	**179**
Total Capacity	**1,325**	**1,377**

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

Tabreed signed a strategic partnership with Johnson Controls International (JCI) to advance its district cooling operations through the deployment of high-efficiency chillers, smart building controls, and performance-based lifecycle services, positioning the company for continued growth and value creation. The collaboration strengthens Tabreed's technological capabilities, enhances operational efficiency, and supports its ESG and sustainability objectives by reducing energy consumption and emissions.

Income Statement Analysis

AED million	Q3 2025	Q3 2024	YoY %	9M 2025	9M 2024	YoY %
Revenue	**759**	**764**	***-1%***	**1,867**	**1,843**	***1%***
Operating Cost	(473)	(477)	*-1%*	(1,049)	(1,030)	*2%*
Gross Profit	**286**	**289**	***-1%***	**818**	**814**	***1%***
Gross Profit Margin	*37.7%*	*37.8%*	*-0.1%*	*43.8%*	*44.1%*	*-0.3%*
Administrative & Other Expenses	(61)	(73)	*-17%*	(199)	(219)	*-9%*
Operating Profit	**225**	**214**	***5%***	**619**	**594**	***4%***
Net Finance Cost	(61)	(41)	*50%*	(156)	(134)	*17%*
Other Income / Losses	(4)	0	*NM*	1	2	*-51%*
Share of Results of Associates/JVs	8	8	*-1%*	22	26	*-14%*
Profit Before Tax	**168**	**181**	***-7%***	**486**	**489**	***-1%***
Income Taxes	(15)	(16)	*-7%*	(42)	(39)	*6%*
Income attributable to Min. Interest	(9)	(9)	*-2%*	(25)	(24)	*1%*
Net Profit	**144**	**156**	***-8%***	**420**	**425**	***-1%***
Net Profit Margin	*19.0%*	*20.4%*	*-1.4%*	*22.5%*	*23.1%*	*-0.6%*
Earnings Per Share (AED)	0.051	0.055	*-8%*	0.148	0.150	*-1%*
Alternative Performance Measures						
EBITDA	**343**	**329**	***4%***	**975**	**932**	***5%***
EBITDA Margin	*45.2%*	*43.1%*	*2.1%*	*52.2%*	*50.5%*	*1.7%*
Normalized Net Profit	**152**	**156**	***-3%***	**425**	**425**	***-0.1%***

Revenue

The Group revenue increased 1% YoY to AED 1,867 million in 9M 2025. The chilled water revenue reached 1,806 million, an increase of 2% YoY. In Q3 2025, chilled water revenue remained flat as increase in fixed charges was offset by decline in consumption revenue.

Fixed capacity revenue increased by 3% YoY in 9M 2025 and Q3 2025. This was driven by the addition of almost 59 k RT over the last 12 months and CPI Indexation. Consumption revenue increased marginally by 0.3% YoY in 9M 2025 as Q3 this year was impacted by lower average temperature, reducing cooling demand. As a result, Q3 2025 consumption revenue decreased 2% YoY.

Gross Profit

Gross Profit rose 1% YoY in 9M 2025, in line with the revenue growth for the same period. The rise in direct costs was mainly attributed to higher consumption-linked utility expenses, while ongoing investments in cooling infrastructure contributed to increased depreciation and amortization charges. As a result, the gross profit margin remained almost stable at 43.8% in 9M 2025.

EBITDA

EBITDA rose 5% YoY to AED 975 million in 9M 2025 and 4% YoY in Q3 2025. EBITDA margin expanded by 1.7% YoY to 52.2% in 9M 2025. The improvement reflects effective cost discipline and a reduction in general and administrative expenses, supporting stronger operating efficiency during the period. Part of the reason for lower G&A was also related to phasing of certain expenses to Q4 this year compared and therefore full year G&A expenses are expected to be normalized.

Net Profit

Net profit before tax stood at AED 486 million in 9M 2025, a decrease of 1% YoY mainly due to higher finance cost. The net finance cost increased in 9M 2025 and Q3 2025, following refinancing of debt via new sukuk issuance earlier this year at market prevalent interest rates.

Additionally, there was net one-off loss of AED 4.8 million in 9M 2025. This was related to net loss of AED 7.6 million in Q3 2025 on derecognition of assets, partially offset by net gain of AED 2.8 million, mostly on divestment of our minority stake in an associate.

Results of Operations by Segments

AED million	Q3 2025	Q3 2024	YoY %	9M 2025	9M 2024	YoY %
Revenue	**759**	**764**	***-1%***	**1,867**	**1,843**	***1%***
Chilled Water	736	737	*0%*	1,806	1,771	*2%*
Value Chain Business[1]	23	27	*-16%*	62	72	*-15%*
Gross Profit	**286**	**287**	***0%***	**818**	**814**	***1%***
Chilled Water	277	267	*4%*	795	781	*2%*
Value Chain Business[1]	9	19	*-55%*	23	33	*-31%*
EBITDA	**343**	**329**	***4%***	**975**	**932**	***5%***
Chilled Water	329	315	*4%*	954	900	*6%*
Value Chain Business[1]	14	14	*-2%*	21	32	*-33%*
Operating Profit	**225**	**214**	***5%***	**619**	**594**	***4%***
Chilled Water	214	201	*6%*	603	567	*6%*
Value Chain Business[1]	12	13	*-8%*	17	27	*-37%*

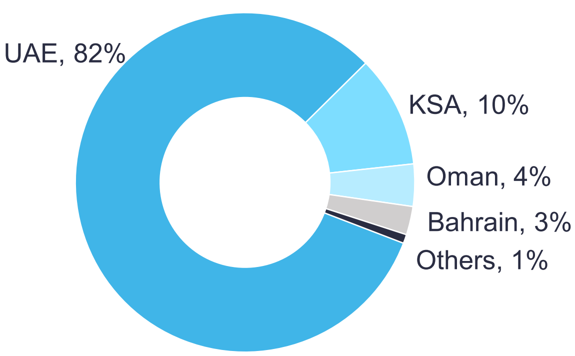
1) Intercompany eliminations mostly relate to Value Chain Business and thus combined with results of Value Chain Business segment for analysis purpose

Chilled Water Business

UAE remains the most significant and core market for Tabreed, accounting for 82% of connected capacity. Tabreed also has a presence in Saudi Arabia, Oman, Bahrain, India, and Egypt, which together account for the remaining 18% of the connected capacity.

A total of 52.9k RT of new cooling capacity was added during 9M 2025, driven by a significant capacity addition of 37.0k RT in Q2 2025.

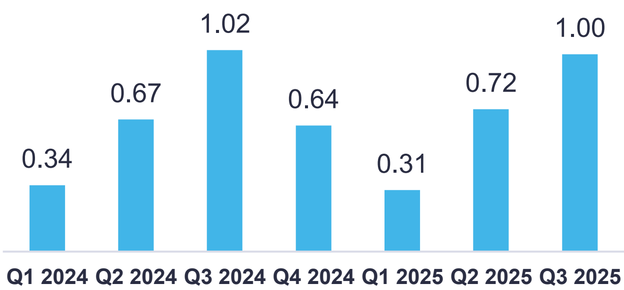
Connected Capacity by Country (9M 2025)



The expansion was primarily supported by the addition of new plants, complemented by incremental connections across existing concessions, which together contributed to the company's organic growth.

Consumption volumes continued to show seasonal rise in Q3 2025. However, Q3 2025 volumes were soft comapred to the last year due to lower average temperature. The negative effect of weather was partially offset by increased connected capacity.

Consolidated Consumption Volumes (billion RTh)



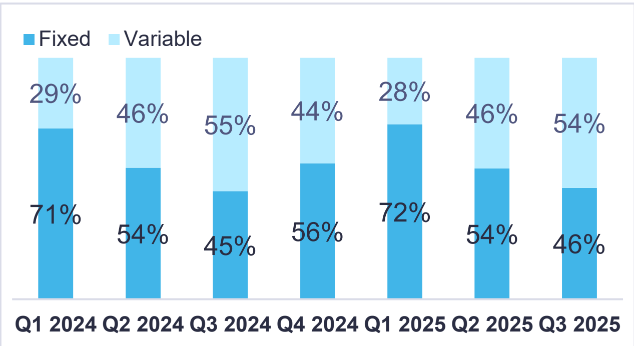
Chilled water revenues consist of fixed capacity charges and variable consumption charges.

Chilled water revenue grew 2% YoY in 9M 2025, supported by strong growth in the fixed revenue, which increased 3% YoY during 9M 2025. Consumption revenue increased marginally by 0.4% in 9M 2025.

Chilled water EBITDA rose by 6% YoY in 9M 2025, driven by higher revenue and effective cost management.

Chilled water operating profit also grew in line with the EBITDA growth.

Chilled Water Revenue Breakdown



Value Chain Business

Value chain business supports the 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 decreased by 15% YoY in 9M 2025. This was mainly on account of lower revenue from Tabreed Energy Services business which has inherent volaitility due to the short-term nature of contracts.

EBITDA and operating profit for the Value Chain business also declined in 9M 2025, following reduced segmental revenue.

Balance Sheet and Capital Structure

AED million	9M 2025	9M 2024	YoY %	9M 2025	FY 2024	YTD %
Fixed Assets (incl. Finance Lease Recv.)	7,720	7,824	*-1%*	7,720	7,792	*-1%*
Intangibles	3,906	3,996	*-2%*	3,906	3,981	*-2%*
Associates & JVs	625	613	*2%*	625	622	*0%*
Receivables & Others	899	854	*5%*	899	699	*29%*
Advance for Investments	1,190	0	*NM*	1,190	0	*NM*
Cash & Short-term Deposits	666	748	*-11%*	666	1,023	*-35%*
Total Assets	**15,005**	**14,034**	***7%***	**15,005**	**14,118**	***6%***
Equity & Reserves	6,696	6,834	*-2%*	6,696	6,962	*-4%*
Total Debt (incl. Lease Liabilities)	6,547	5,660	*16%*	6,547	5,648	*16%*
Payables & Others	1,409	1,191	*18%*	1,409	1,147	*23%*
Deferred Tax Liability[1]	353	349	*1%*	353	361	*-2%*
Total Liabilities & Equity	**15,005**	**14,034**	***7%***	**15,005**	**14,118**	***6%***

1) Deferred tax liability is shown net of deferred tax asset

Assets

Total assets increased by 6% YTD to AED 15.0 billion as of 9M 2025, primarily due to seasonally higher receivables and advance for Investments. Receivables rose 29% YTD to AED 899 million, due to higher billing and timing of collections, while advance for investments of AED 1.2 billion was made towards Tabreed's share of equity to acquire PAL Cooling. As a result, the cash balances declined 35% YTD to AED 666 million.

Fixed assets and intangibles remained broadly stable, driven by depreciation and amortization charges, balanced by capital expenditure on construction of new plants.

Investments in associates and joint ventures remained stable YTD, indicating continued contribution to profits being compensated by dividend payouts, disposal of a minority stake in one of the associates, and fair value adjustments on derivatives held by associates.

Liabilities

Equity and reserves decreased by 4% YTD reflecting the payment of the 2024 dividend, accrual of H1 2025 interim dividend and a slight decrease in derivative fair values, partially offset by profits generated during the period. The capital structure remains balanced, with growth in borrowings aligned to fund long-term, income-generating assets, maintaining a disciplined financing strategy.

Increase in payables is due to higher elongated payment cycle and H1 2025 interim dividend payment.

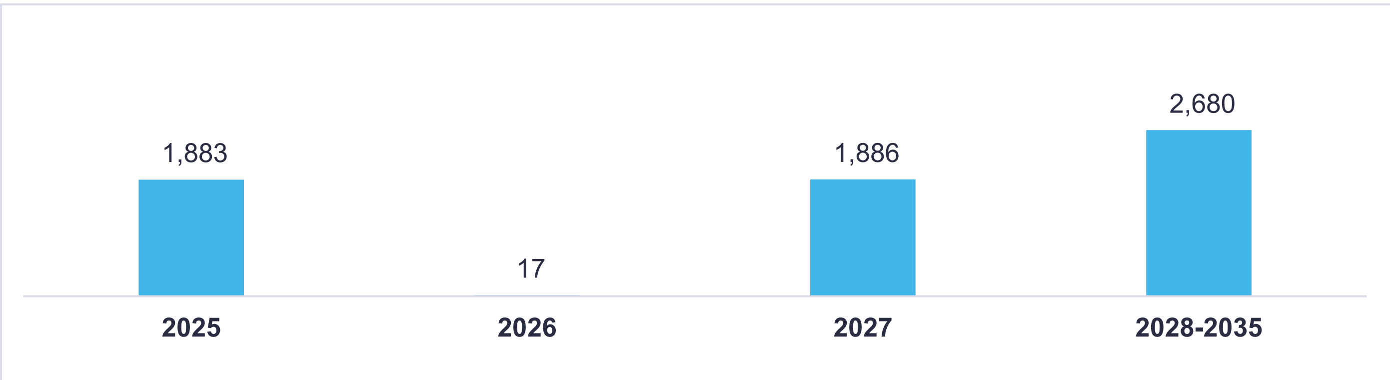
Total debt increased by 16% YTD to AED 6.6 billion, mainly due to drawdown of revolving credit facility.

Debt & Leverage Ratios (AED million)	9M 2025	9M 2024	YoY %	9M 2025	FY 2024	YTD %
Interest Bearing Loans & Borrowings	1,046	2,044	*-49%*	1,046	2,045	*-49%*
Islamic Financing Arrangements	0	640	*NM*	0	641	*NM*
Non-convertible Sukuks	3,481	955	*265%*	3,481	946	*268%*
Non-convertible Bonds	1,827	1,823	*0%*	1,827	1,824	*0%*
Debt	**6,354**	**5,462**	***16%***	**6,354**	**5,456**	***16%***
Finance Lease Liabilities	193	198	*-3%*	193	192	*1%*
Total Debt	**6,547**	**5,660**	***16%***	**6,547**	**5,648**	***16%***
Cash & Short-term Deposits	666	748	*-11%*	666	1,023	*-35%*
Net Debt	**5,882**	**4,912**	***20%***	**5,882**	**4,625**	***27%***
EBITDA - LTM	1,295	1,216	*7%*	1,295	1,252	*3%*
Net Debt / EBITDA (x)	**4.5**	**4.0**	***50%***	**4.5**	**3.7**	***85%***

The gross debt increased by 16% YTD to AED 6.5 billion as of 9M 2025, primarily driven by drawdown of debt to meet investment commitments. Furthermore, Tabreed continued to proactively manage its liabilities by refinancing maturing bank debt with green sukuk issuance and enhancing the size of green RCF, thereby improving liquidity profile.

Net debt increased by 27% YTD to AED 5.9 billion, reflecting higher gross debt levels and a lower cash balance of AED 666 million due to acquisition-related payments. Net Debt to EBITDA reached 4.5x by the end of 9M 2025, still below its previous peak of ~6x in 2021. Despite the rise in leverage, the Company continues to exhibit strong balance sheet resilience and prudent financial discipline, even amid substantial investment activity.

Debt maturity profile (AED million)



Cash Flows Generation

AED million	Q3 2025	Q3 2024	YoY %	9M 2025	9M 2024	YoY %
Cash Flows from Operations	352	333	*6%*	986	940	*5%*
Changes in Working Capital	(4)	(57)	*-93%*	(187)	(170)	*10%*
Income Taxes Paid	(63)	0	*NM*	(63)	0	*NM*
Net Cash Flows from Operations	**285**	**276**	***3%***	**736**	**770**	***-4%***
Net Cash Flows from Investing	**(1,288)**	**(67)**	***NM***	**(1,318)**	**(142)**	***NM***
Net Cash Flows from Financing	**789**	**(39)**	***NM***	**224**	**(1,390)**	***NM***
Free Cash Flows	**(1,008)**	**200**	***NM***	**(611)**	**595**	***NM***
Cash conversion	83%	84%	*-1%*	76%	83%	*-7%*

Tabreed generated cash flows from operations of AED 986 million during 9M 2025, growing in line with the EBITDA.

The net operating cash flows declined 4% YoY primarily due to the impact of income tax and working capital movement in 9M 2025. Cash conversion (Net Operating Cash Flows to EBITDA ratio) for 9M 2025 stood at 76%, reflecting the company's ability to convert earnings into cash, providing strong support for its operational and investment needs.

Tabreed's net cash flows from investing activities recorded a significant outflow of AED 1.3 billion in 9M 2025, compared to AED 142 million ouflow in 9M 2024, primarily driven by the advance for Tabreed's equity investment to acquire PAL Cooling. This substantial investment outlay led to negative free cash flows of AED 611 million for 9M 2025, versus a positive AED 595 million for the same period last year.

Net cash inflows of AED 224 million were reported in 9M 2025 in financing activities, reflecting new financing arrangements (green sukuk and RCF drawdown) undertaken to support the operational and capital requirements, partially offset by repayment of debt and dividend distribution.

The cash balance stood at AED 666 million as of 9M 2025, compared to AED 1.0 billion in 2024, primarily reflecting the deployment of cash toward strategic growth initiatives while maintaining a healthy liquidity position.

Dividends

In the last five years, dividends have increased at annualized rate of 8%.

In line with strong focus on shareholder value and supported by solid financial position and healthy cash generation, Tabreed's shareholders approved an interim dividend of 6.5 fils per share for the first half of 2025. This marks the first interim dividend in the company's history and reflects confidence in Tabreed's outlook and ability to deliver sustainable long-term value.

Payout ratio for interim dividend, both in terms of percentage of net operating cash flows or net profit for the period, remains broadly aligned with the historical payouts.

The payment of interim dividend was approved by shareholders at the General Assembly Meeting convened in September 2025.

Historical Dividend Payment (AED per share)

Guidance and Outlook

The Company provided a capacity growth guidance of 3% to 5% per year until 2027. As of 9M 2025, capacity grew by 4.5% YoY. With a strong pipeline, long-term concessions, and expanding geographic footprint, Tabreed is well-positioned to deliver sustained growth through the rest of 2025 and beyond.

To support this growth, the Company expects to incur organic capital expenditure of AED 200 to 300 million per year. Capex run rate is likely to increase over the coming quarters as construction progresses in ongoing developments and new plants enter a construction stage.

Tabreed saw EBITDA margin expansion of almost 1.7% in 9M 2025 versus 9M 2024. EBITDA margin of 52% was delivered on the last 12-month basis, which is near to the upper end of the EBITDA margin guidance of 50% to 53% in the medium term.

Tabreed's leverage target, which mainly refers to the Net Debt to EBITDA ratio, is aligned to its approach of keeping a fine balance that meets the requirements of various stakeholders. However, it is expected that the upper limit would be capped to maintain an investment grade credit rating. The current leverage ratio stands at 4.5x, well within the threshold required to maintain an investment grade credit rating.

2025-2027 Medium Term Guidance	
Capacity Growth	3% to 5% p.a.
Organic Capital Expenditure	AED 200 million to 300 million p.a.
EBITDA Margin	50% to 53%
Leverage	Maintain Investment Grade Credit Rating

Outlook

The PAL Cooling acquisition and Palm Jebel Ali concession represent the two biggest strategic deals in Tabreed's history. Together with Tabreed's existing secured concession capacity of 380 thousand RTs, these two transactions expand the company's total site capacity to approximately 2.6 million RT, thereby positioning Tabreed for capital-efficient growth and high cash flow visibility.

Almost 95% of the secured capacity is in the UAE, which clearly indicates that UAE remains at the centre of Tabreed's growth strategy.

The Company is further focusing on developing a new pipeline of opportunities and targeting new greenfield opportunities to meet demand from increasing investments in real estate and infrastructure projects. UAE and broader GCC region will continue to offer such prospects considering inflow of population and capital as well as strong push from government to meet national energy efficiency targets. Tabreed, with its diversified presence and proven expertise, is well-positioned to capitalize on these opportunities.

Appendix

EBITDA Reconciliation

AED million	9M 2025	9M 2024
Profit from Operations	**619**	**594**
Add: Depreciation of PPE & Right of Use Assets	178	173
Add: Amortization of Intangible Assets	81	81
Add: Finance Lease Amortization[1]	94	83
EBITDA	**975**	**932**

1) Finance lease amortization is calculated as lease rentals received less finance lease income and can be found in Cash Flows Statement

Glossary

Performance Measure or Term Used	Definition
Refrigeration Ton (RT)	A unit of measurement for the cooling capacity of a refrigeration plant. Fixed charges are billed per RT of connected capacity
Refrigeration Ton Hours (RTH)	A unit used to measure consumption of cooling. Variable charges are billed per RTH of consumption volumes
Finance Lease Amortization	Lease rentals received less finance lease income recognised in relation to finance lease receivables
EBITDA	Earnings before interest, tax, depreciation and amortisation calculated as Operating profit plus Depreciation and Amortization plus Finance Lease Amortization
EBIT	Earnings before interest and tax calculated as group profit for the period plus income tax plus finance cost
Normalized Net Profit Before Tax	Profit before tax adjusted for non-recurring items and net of share of profit attributable to non-controlling interest. It is calculated as Profit before tax less Other one-off income plus Other one-off losses less share of profit before tax attributable to non-controlling interest
Normalized Net Profit	Net Profit attributable to parent adjusted for non-recurring items. It is calculated as Net Profit to parent less Other one-off income plus Other one-off losses plus share of parent's one-off Deferred tax liability (if applicable)

Total Debt	Interest bearing loans and borrowings plus Islamic financing arrangements plus non-convertible bonds and sukuks plus lease liabilities
Net Debt	Total debt less cash & short-term deposits
Net Debt to EBITDA	Net debt as of the end of period divided by EBITDA for the last twelve months ended on the last day of the period
Gross Debt to Capital	Total debt divided by total equity capital plus total debt
Capital Employed	Total equity capital plus total debt
Return on Capital Employed	EBIT for the last twelve months ended on the last day of the period divided by capital employed as of the end of period
Return on Equity	Net profit attributable to parent for the last twelve months ended on the last day of the period divided by equity attributable to parent as of the end of period
Normalized Return on Equity	Normalized Net profit for the last twelve months ended on the last day of the period divided by equity attributable to parent as of the end of period
Free Cash Flows	Net cash flows from operating activities less capital expenditure including mergers and acquisitions plus proceeds from asset disposal/sale plus proceeds from sale of associate/JV/subsidiary plus dividends from associates/JVs less investment in associates/JVs
Cash Conversion Ratio	Net cash flows from operating activities divided by EBITDA

Disclaimer

This report has been prepared by the National Central Cooling Company PJSC, ‘Tabreed’ (the “Company”). The material presented in the report is for information purposes only and do not constitute a prospectus, offering memorandum or offering circular or an offer to sell any securities and are not intended to provide the basis for any credit or any third-party evaluation of any securities or any offering of them and should not be considered as a recommendation that any investor should subscribe for or purchase any securities. The information contained herein is subject to change without notice and past performance is not indicative of future results. The Company is under no obligation to update or keep current the information contained herein.

No person shall have any right of action (except in case of fraud) against the Company or any other person in relation to the accuracy or completeness of the information contained herein. Whilst the Company has taken all reasonable steps to ensure the accuracy of all information, the Company cannot accept liability for any inaccuracies or omissions. All the information is provided on an “as is” basis and without warranties, representations or conditions of any kind, either express or implied, and as such warranties, representation and conditions are hereby excluded to the maximum extent permitted by law.

These materials contain information regarding the past performance of the Company, its subsidiaries and associate/joint venture companies. Such performance may not be representative of the entire performance of the Company, its subsidiaries and associates/joint ventures. Past performance is neither a guide to future returns nor to the future performance of the Company, its subsidiaries and associates/joint ventures.

These materials contain, or may be deemed to contain, forward-looking statements. Such statements include financial projections and estimates, as well as statements about projects, objectives and expectations regarding future operations, profits, or services, or future performance. Although Tabreed management believes that these forward-looking statements are reasonable, investors and shareholders should be aware that such forward looking information and statements are subject to many risks and uncertainties that are generally difficult to predict and beyond the control of Tabreed and may cause results and developments to differ significantly from those expressed, implied or predicted. The Company undertakes no obligation to revise or update any forward-looking statement contained within this report, regardless of whether those statements are affected as a result of new information, future events or otherwise.

The Company uses alternative performance measures (APMs) which are relevant to enhance the understanding of the financial performance and financial position of the Group, which are neither measurements under IFRS nor any other body of generally accepted accounting principles and thus should not be considered as substitutes for the information contained in the Group’s financial statements.

Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Investor Relations Contact:

Email: ir@tabreed.ae

Yugesh Suneja
Head of Investor Relations
Tel.: +971 2 202 0479
Email: ysuneja@tabreed.ae

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