



National Central Cooling Company

9M 2024 Earnings Presentation

15 November 2024

Disclaimer

- These materials have been prepared by and are the sole responsibility of the National Central Cooling Company PJSC, 'Tabreed' (the "Company"). These materials have been prepared solely for your information and for use at the quarterly earnings call. By attending the meeting/call where this presentation is made, or by reading the presentation slides, you agree to be bound by the following limitations
- These materials are confidential and may not be further distributed or passed on to any other person or published or reproduced, in whole or in part, by any medium or in any form for any purpose. The distribution of these materials in other jurisdictions may be restricted by law, and persons into whose possession this presentation comes should inform themselves about, and observe, any such restrictions
- These materials are 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 has not been verified by the Company, its advisers or any other person and 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
- The merits or suitability of any securities to any investor's particular situation should be independently determined by such investor. Any such determination should involve inter alia, an assessment of the legal, tax, accounting, regulatory, financial, credit and other related aspects of any securities
- No person is authorized to give any information or to make any representation not contained in and not consistent with these materials and, if given or made, such information or representation must not be relied upon as having been authorized by or on behalf of the Company
- These materials are not intended for publication or distribution to, or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation. The securities discussed in this presentation have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the Securities Act) and may not be offered or sold except under an exemption from, or transaction not subject to, the registration requirements of the Securities Act. In particular, these materials are not intended for publication or distribution, except to certain persons in offshore transactions outside the United States in reliance on Regulation S under the Securities Act
- These materials contain information regarding the past performance of the Company and its subsidiaries. Such performance may not be representative of the entire performance of the Company and its subsidiaries. Past performance is neither a guide to future returns nor to the future performance of the Company and its subsidiaries
- 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.
- Any investment in securities is subject to various risks, such risks should be carefully considered by prospective investors before they make any investment decisions. The Company undertakes no obligation to update their view of such risks and uncertainties or to publicly announce the result of any revision to the forward-looking statements made herein, except where it would be required to do so under applicable law
- 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

Agenda

1	9M 2024 Key Highlights	4
2	Sustainability Overview	8
3	9M 2024 Financial Results	12
4	Outlook and Concluding Remarks	17
	Appendix	23

01

Key Highlights

Adel Al Wahedi, Chief Financial Officer



9M 2024 Key Highlights



Delivering consistent growth, resilient margins and financial strength



- ▶ Revenue (AED 1.85 bn) and EBITDA (AED 933 m) show steady growth
- ▶ Strong profitability with 9M EBITDA margin stable at 50%
- ▶ Normalized¹ profit before tax increased by 4% YoY in 9M 2024
- ▶ Improved financial health with reduction in debt and 20% savings in net finance cost
- ▶ Normalized¹ Return on Equity at 9.4% with strong free cash flow yield > 10%

Accelerating new connections, solidifying international presence



- ▶ Consumption volumes grew 6% YoY in 9M, reflecting strong demand
- ▶ 1 new greenfield plant commissioned; added 12.4k RT of new connections in Q3 after 4.7k RT in H1
- ▶ Total connected capacity reached 1.318 million RT driven by organic growth
- ▶ Further expanded international footprint with incremental capacity of 3k RT in India and 1.5k RT in Egypt

Advancing sustainable cooling solutions and decarbonization roadmap



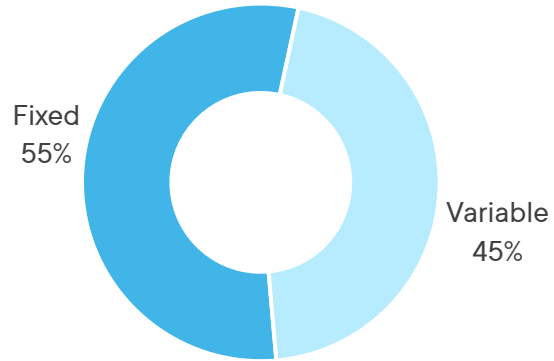
- ▶ Achieved 'Verified Carbon Standard' at one of the plants, further reinforcing the role of district cooling in reaching net zero goals
- ▶ Published fourth annual ESG Report, highlighting progress on our sustainability objectives and decarbonisation of cooling
- ▶ 2.0 billion kWh of energy consumption reduced, and 1.2 million tons of CO₂ avoided in 9M 2024 through Tabreed's energy efficient cooling services

1) Adjusted for one-off non recurring items

9M 2024 consumption volumes and capacity update



9M 2024 Chilled Water Revenue



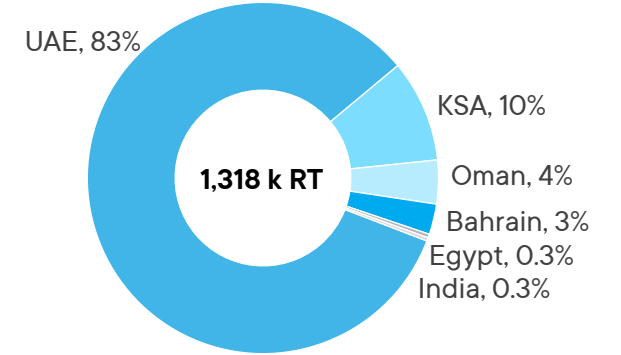
9M 2024 Consumption Volumes

2.0 billion RTh

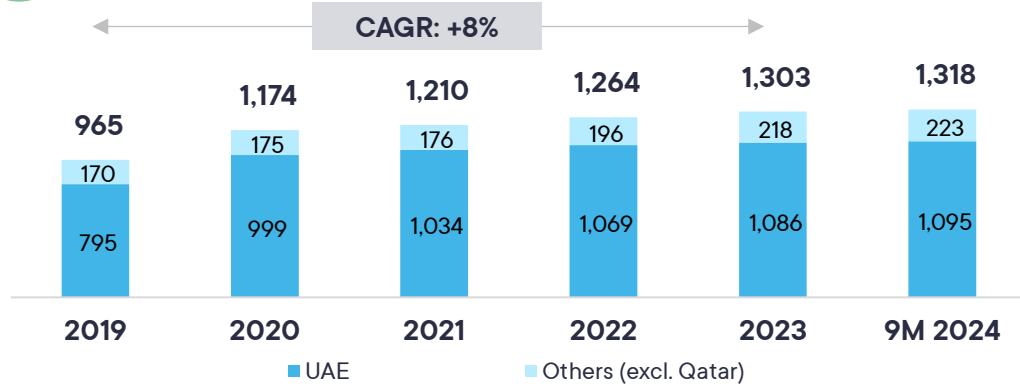
+6% YoY



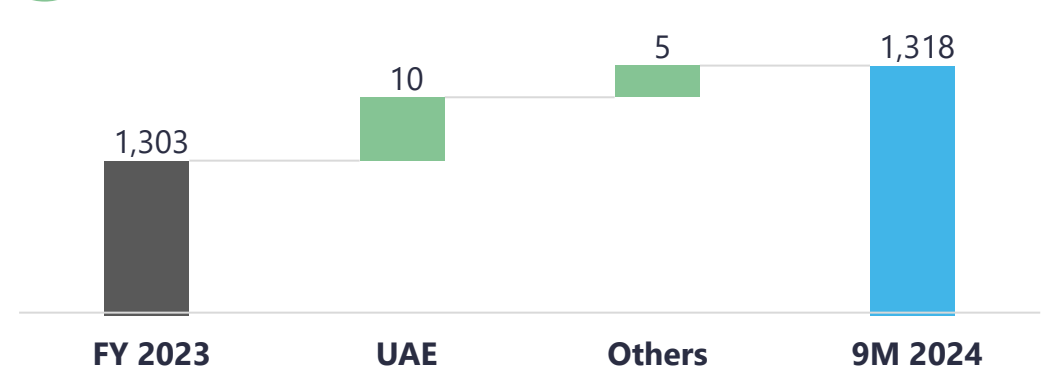
Capacity by Country as of 9M 2024



Historical Capacity Additions (k RT)



9M 2024 Net Capacity Additions (k RT)



02

Sustainability Overview

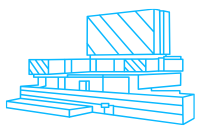
Adel Al Wahedi, Chief Financial Officer



Sustainable, efficient and cost-effective cooling services



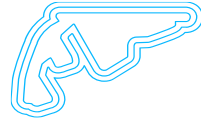
Exclusive provider of District Cooling services to several iconic projects



Cleveland Clinic
Abu Dhabi



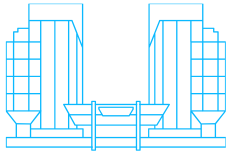
Sheikh Zayed Grand
Mosque



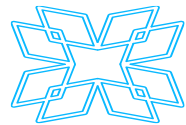
Yas Marina
Circuit



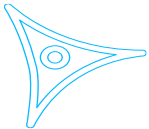
Rosewood Abu
Dhabi



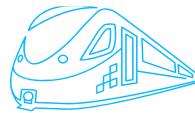
Abu Dhabi Global
Market Square



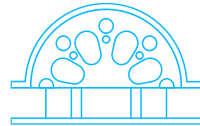
Yas Mall



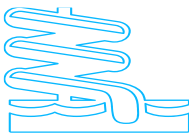
Ferrari
World



Dubai
Metro



Dubai Parks
and Resorts



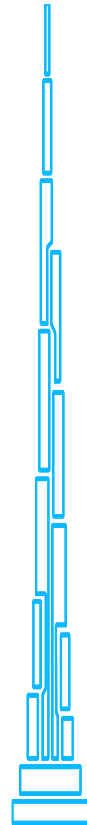
Yas
Waterworld



Le Louvre
Abu Dhabi



Etihad
Towers



Burj Khalifa

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



2.6 billion kWh

reduction in energy
consumption through
Tabreed's DC services



Enough energy to power
~148,700 homes in GCC
every year

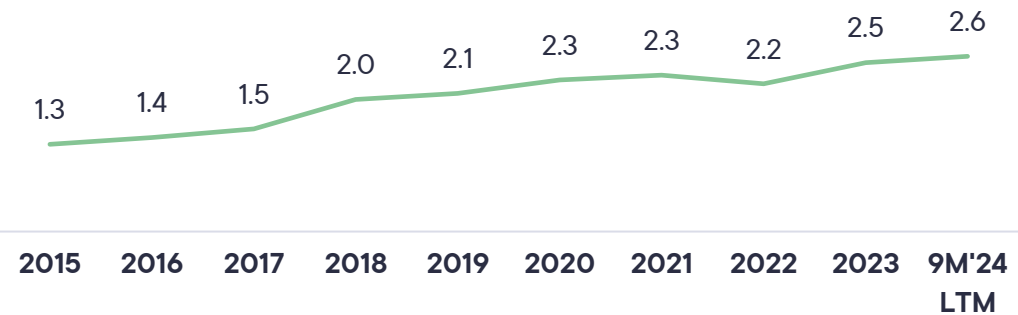


1.56 million tons
prevention of CO₂
emissions



The equivalent of removing
~339,000 cars from our
streets every year

Annual savings in energy consumption (In Billions of kWh)



Decarbonizing our operations for a sustainable future



Our sustainability efforts reflect the company's commitment to energy efficiency, protecting the environment, and to the sustainable socio-economic development of the region



Net Zero by 2050

Demand Management

Optimizing the amount of energy required to produce the same amount of cooling, through operational excellence with data-driven approach and AI forecasting in addition to technological upgrades

Renewable Energy

Running our operations with clean energy sources, such as solar energy and application of geothermal energy in cooling

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



Variable Frequency Drives (VFDs) Retrofit

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



Nanofluid Pilot Study

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



Renewable Energy

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

Responsible business practices for a positive environmental impact



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



Water conservation and environmental sustainability

Demand Management and Technology

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

Waste Management

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

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



Utilization of TSE¹

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



Use of Sea Water

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



Management of Waste

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

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

03

9M 2024 Financial Results

Salik Malik, Vice President - Finance



Financial Summary



Income Statement



	9M 2024	9M 2023	YoY (%)
Revenue	1,850	1,823	2%
Gross Profit	815	804	1%
EBITDA	933	914	2%
Operating Profit	596	611	(2)%
Normalized Net Profit Before Tax	462	442	4%
Normalized Net Profit	425	442	(4)%

Balance Sheet



	9M 2024	FY 2023	YTD (%)
Non-current Assets	12,104	12,210	(1)%
Current Assets	1,930	2,604	(26)%
Total Assets	14,034	14,814	(5)%
Total Equity	6,834	6,943	(2)%
Total Liabilities	7,200	7,870	(9)%
Total Equity & Liabilities	14,034	14,814	(5)%

Cash Flows

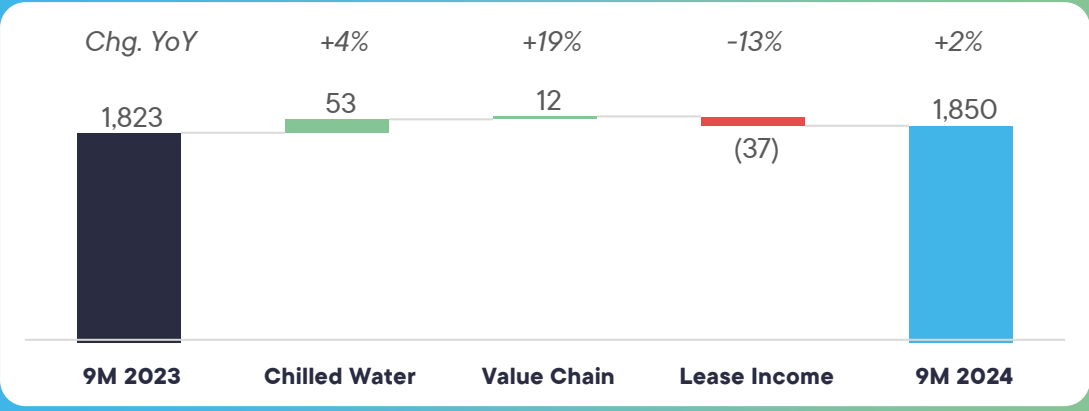


	9M 2024	9M 2023	YoY (%)
Cash flows from Oper.	940	917	3%
Changes in Working Cap.	(170)	42	NA
Net Oper. Cash Flows	770	959	(20)%
Net Inv. Cash Flows	(142)	(29)	393%
Net Fin. Cash Flows	(1,390)	(1,290)	8%
Inc. / Dec. in cash	(762)	(359)	NA

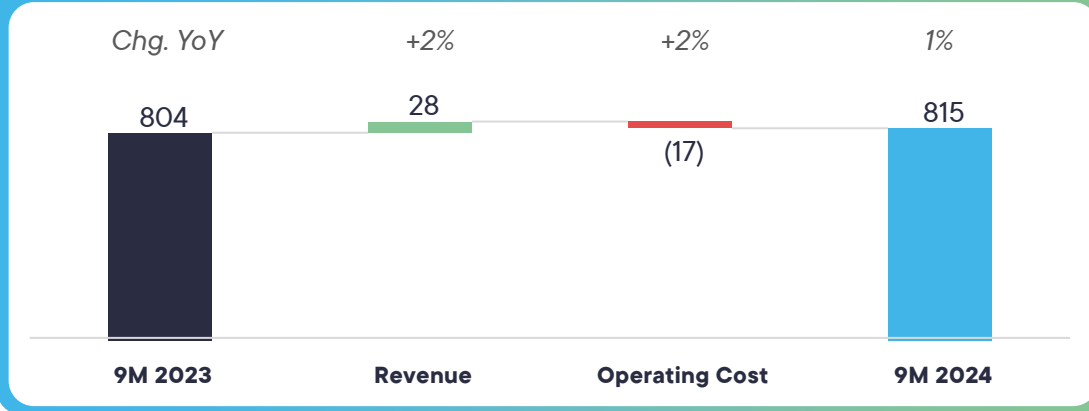
Income Statement Highlights



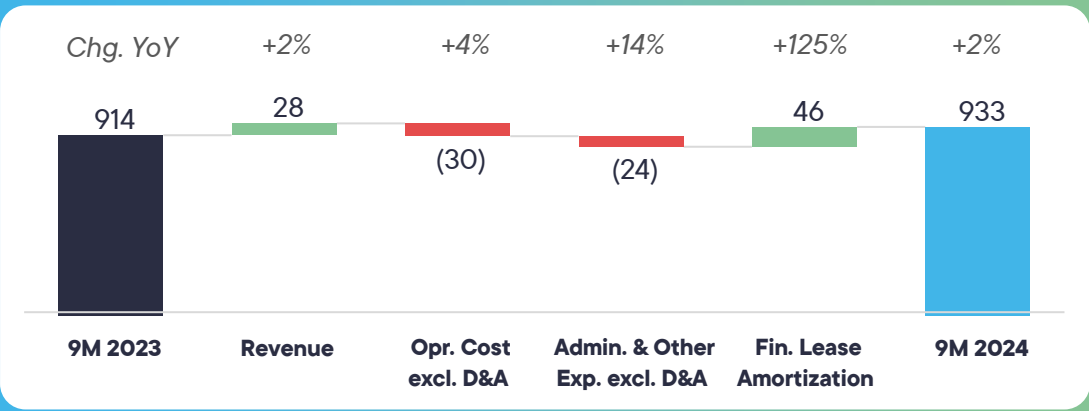
9M 2024 Revenue Movement (YoY)



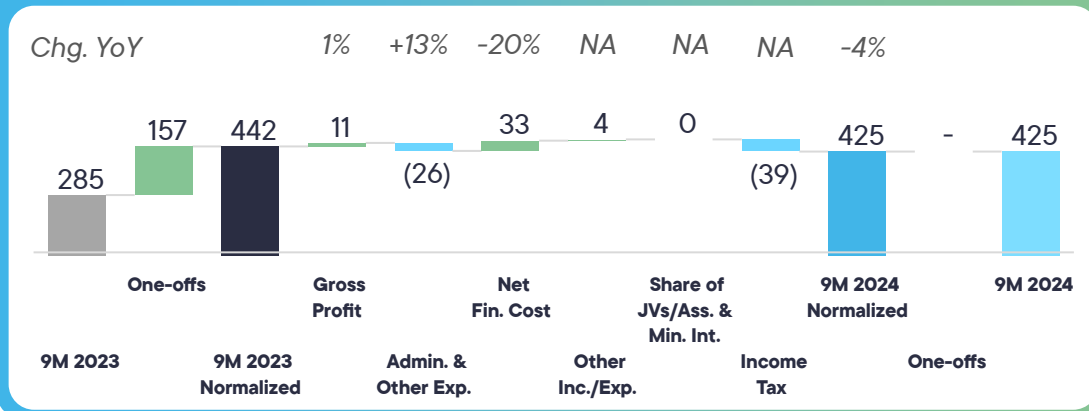
9M 2024 Gross Profit Movement (YoY)



9M 2024 EBITDA Movement (YoY)



9M 2024 Net Profit Movement (YoY)



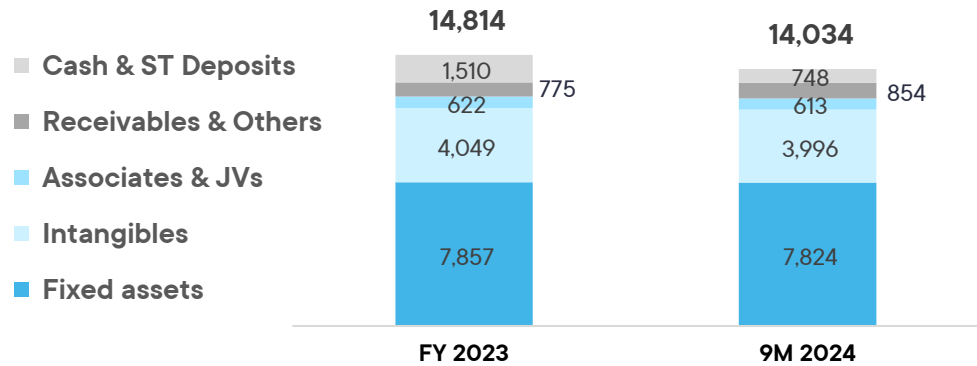
All figures in AED millions (unless stated explicitly) rounded to nearest whole number

Balance Sheet Highlights

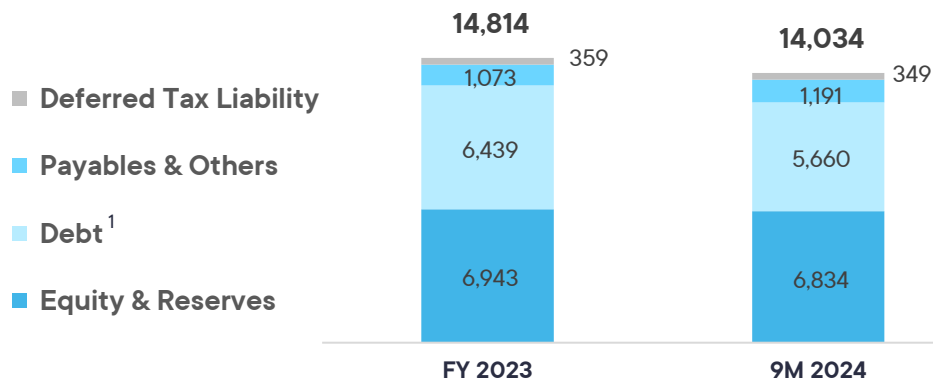


Balance Sheet Breakdown

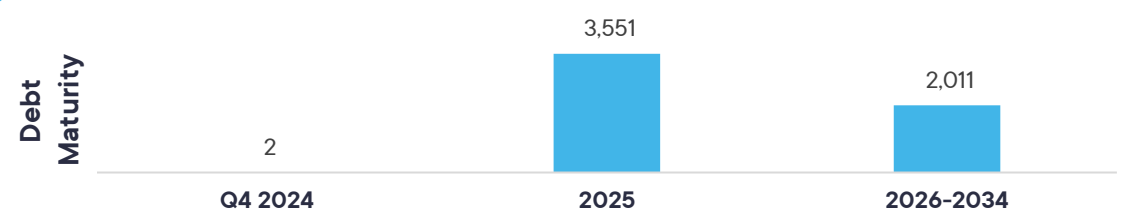
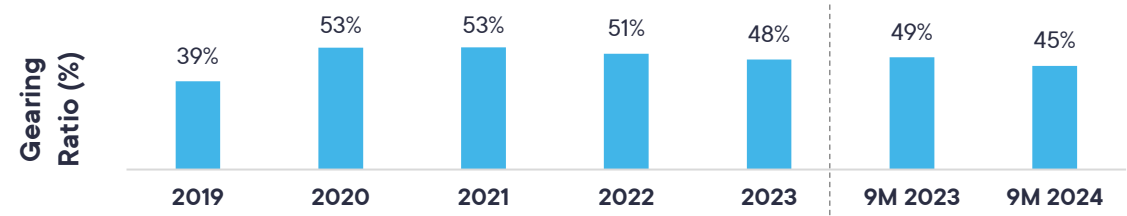
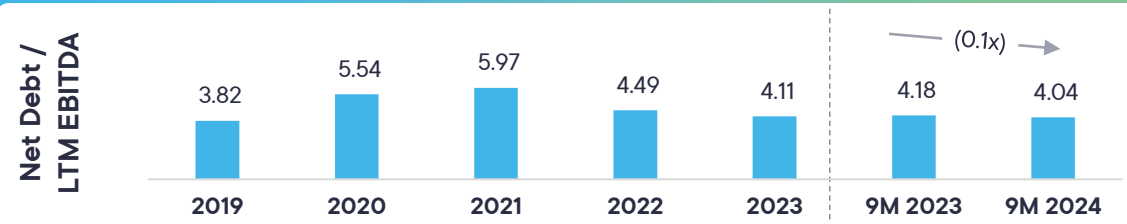
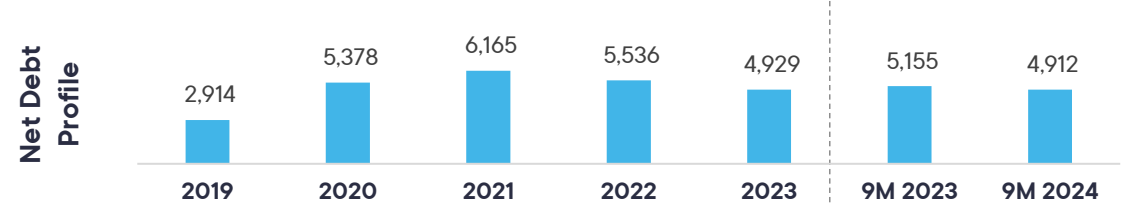
Total Assets



Total Liabilities



Capital Structure



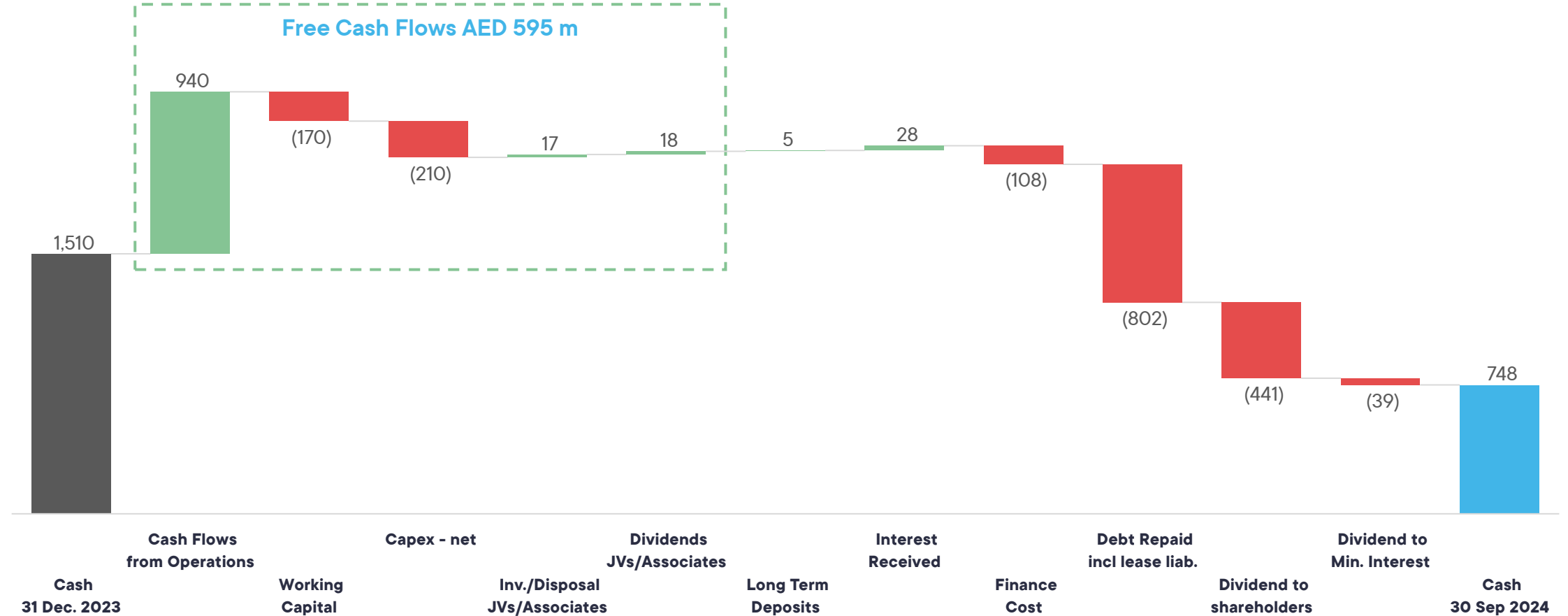
All figures in AED millions (unless stated explicitly) rounded to nearest whole number

1) Debt includes finance lease liability

Prudent use of surplus cash to reduce leverage and increase dividends



Cash Movement



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

04

Outlook & Concluding Remarks

Adel Al Wahedi, Chief Financial Officer



Capacity Growth Guidance

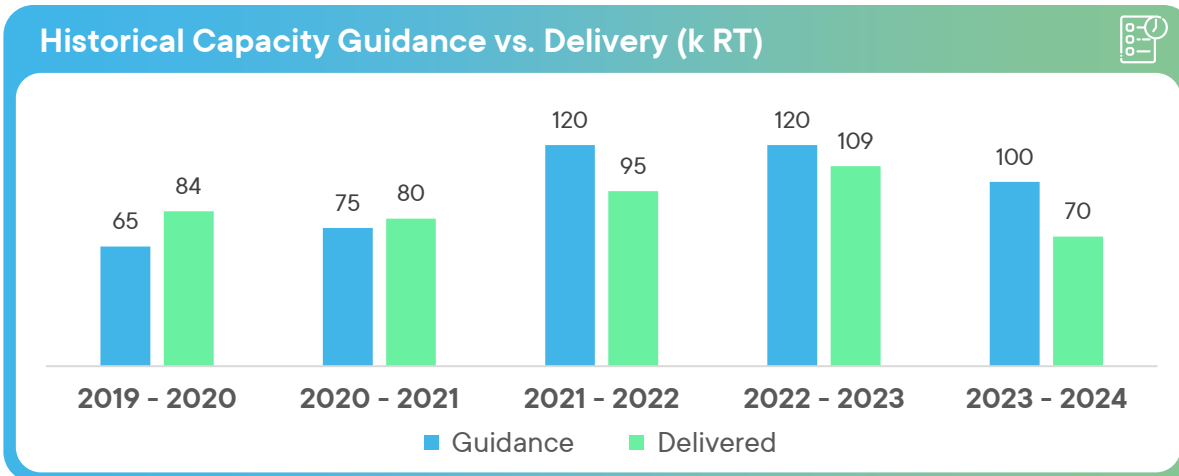


2022-2023 Two years guidance update	k RT
2022 - 2023 Capacity Guidance	120
2022 - 2023 Actual Capacity Delivered	109

- 55k RT and 53k RT was added in 2022 and 2023 resp. - 67k RT in UAE, 20k RT in Oman, 14k RT in Saudi, 3.5kRT in Bahrain, 3k RT in Egypt and 1k RT in India.
- 87% of the capacity added in 2022 and 2023 came from the consolidated entities vs. guidance of 70%.
- Marginal shortfall mainly due to equity accounted entities.

2023-2024 Two years guidance update	k RT
2023 - 2024 Previous Capacity Guidance	120
2023 - 2024 New Capacity Guidance	100
2023 - 9M 2024 Actual Capacity Delivered	70

- Previous Capacity guidance for 2023 and 2024 was **120k RT**, of which around **60% was expected from consolidated entities** and balance 40% from equity accounted entities.
- New Capacity guidance for 2023 and 2024 is **100k RT**, of which around **85% is expected from consolidated entities** and balance 15% from equity accounted entities.
- **70k RT** was added in 2023 and as of 9M 2024, which included 43.3k RT in UAE, 14.2k RT in Saudi, 4.5k RT in Egypt, 4k RT in India, 3k RT in Bahrain,, and 1.4k RT in Oman.



New Capacity Guidance

100 k RT

2023 - 2024

Medium-term Guidance¹

3-5 % p.a.

2024 - 2026

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

Rising demand for space cooling reinforces strong growth outlook



1



Space Cooling Demand

Space Cooling accounts for ~50% of peak electricity consumption

Energy demand from space cooling to rise by ~3x by 2050

2



District Cooling Efficiency

District cooling offers remarkable efficiency

District cooling uses 50% less energy, is highly reliable and cost effective over a life cycle

3



Energy Resilience, Decarbonisation

Government policies to increasingly promote district cooling to support ambitious energy efficiency and 'Net Zero by 2050' targets

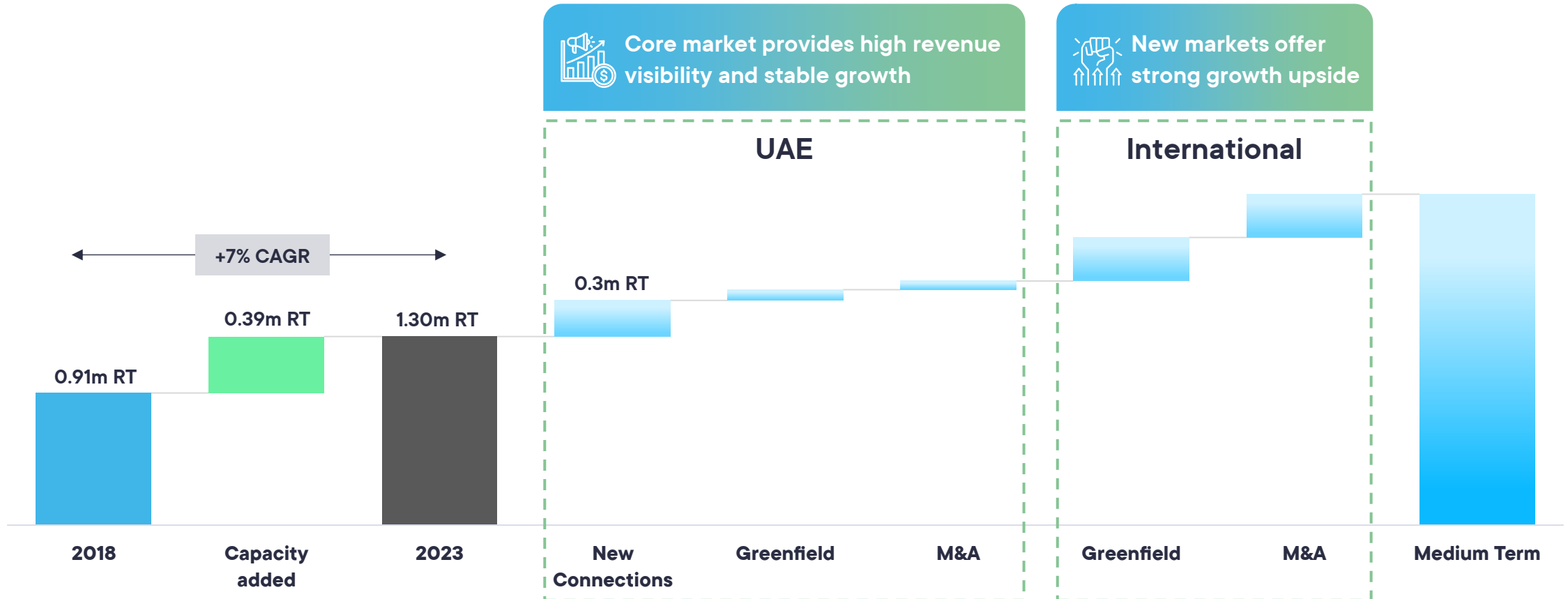
4



Rising District Cooling Adoption

Tabreed's key markets expected to see acceleration in GDP growth and increase in penetration of district cooling

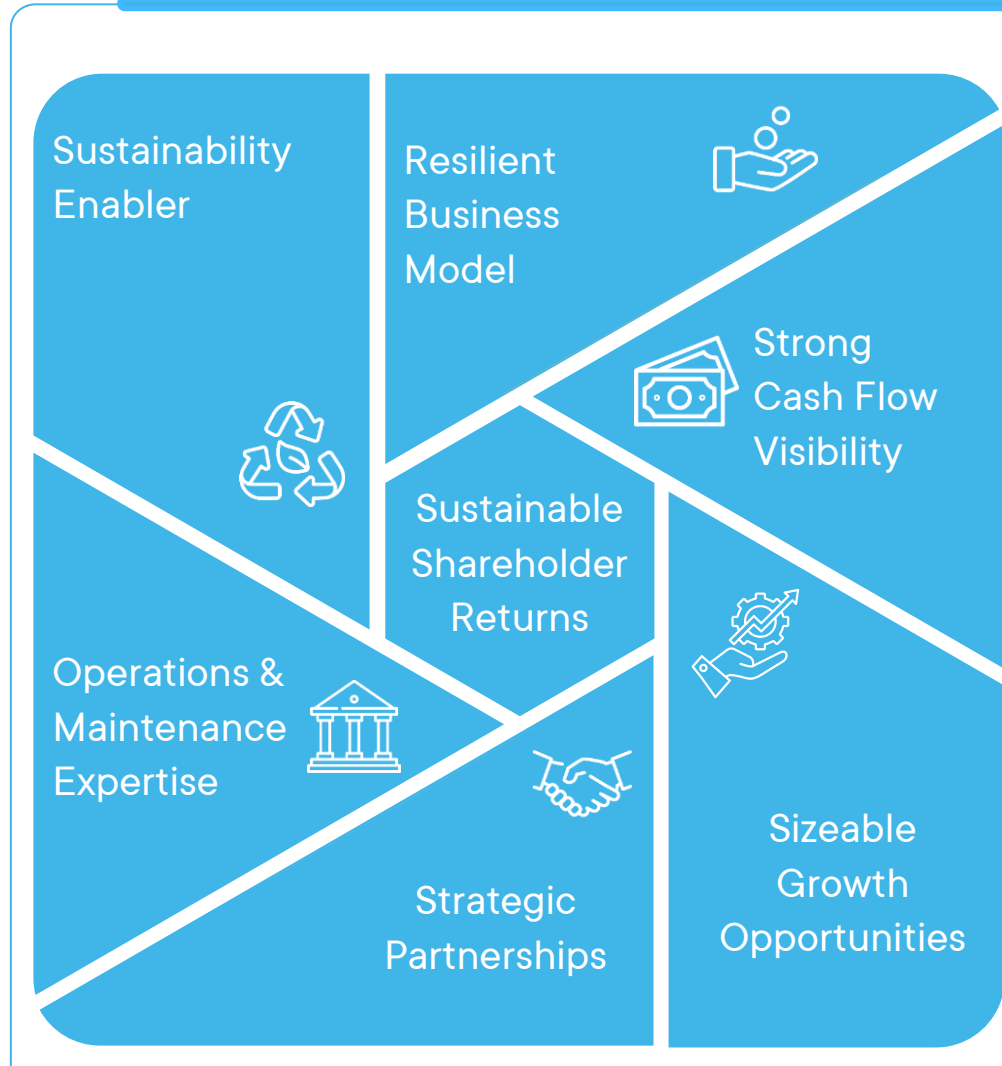
Leveraging on expansion opportunities to sustain long-term growth



Largely driven by expansion in existing concessions areas plus new customers, green field plants and M&A

New plants, concessions & brownfield acquisitions in underpenetrated markets such as Saudi, India and wider MENA/Asia region

Tabreed's Investment Proposition



- 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 more than 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
- 25 years of operational track record to provide safe, reliable and efficient cooling
- Sustainable district cooling services enabling significant energy savings and prevention of carbon emissions

Appendix

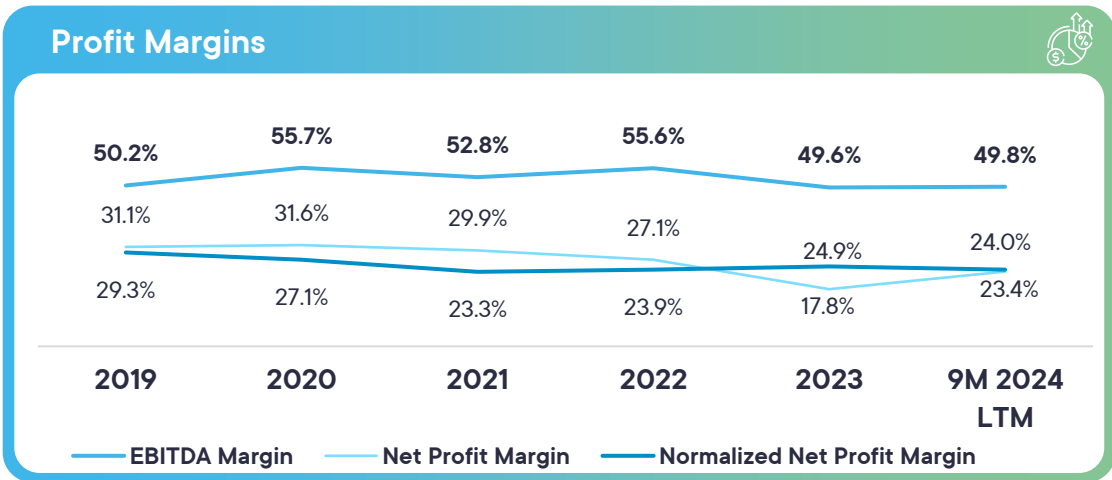
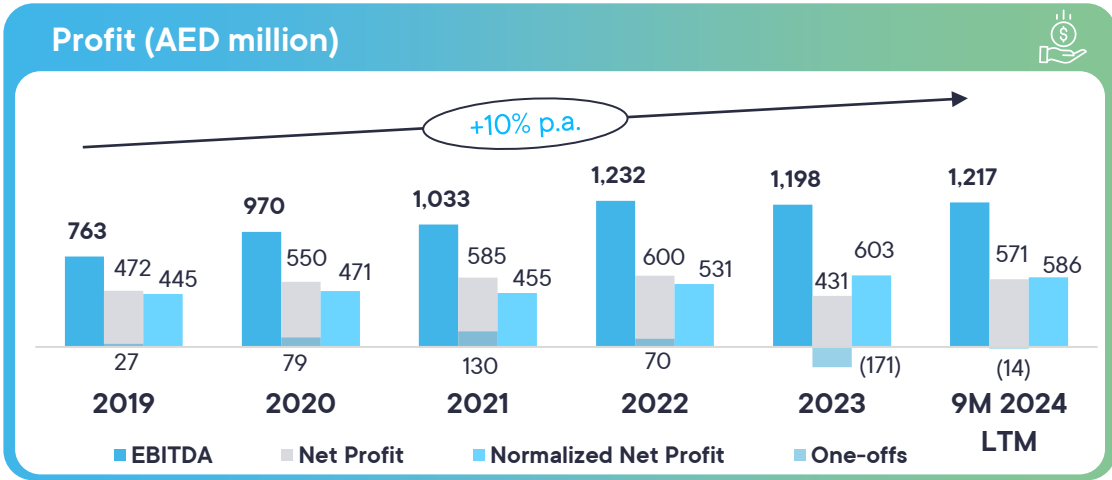
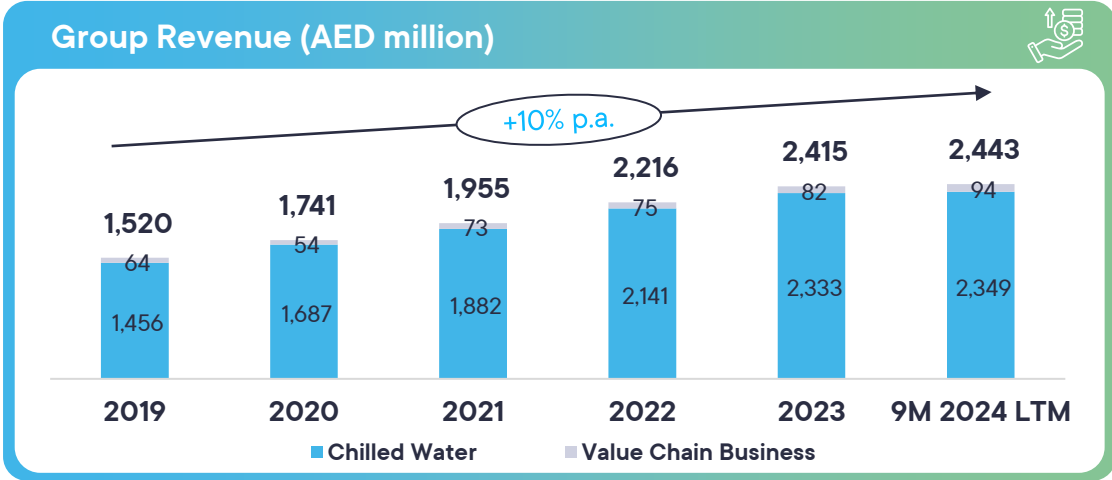
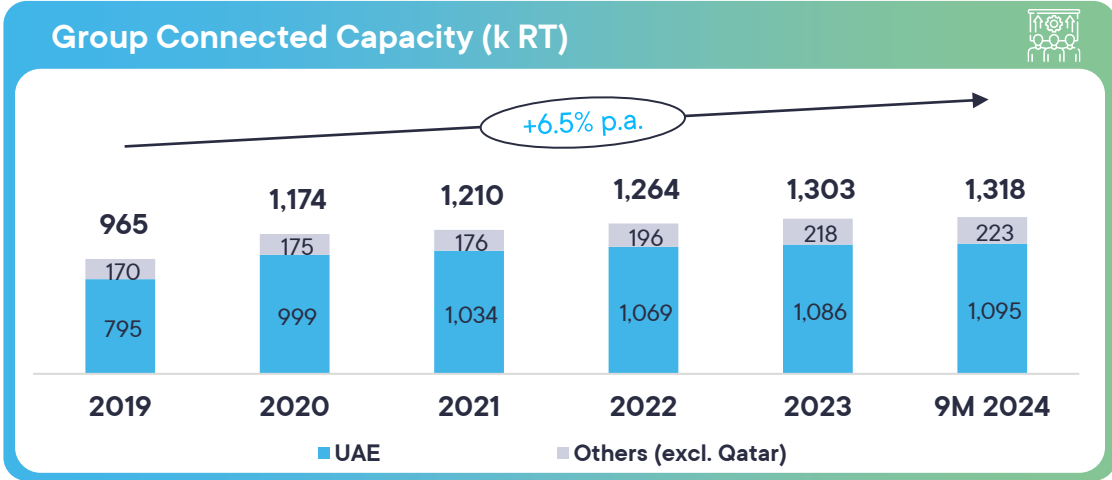
Connected Capacity and Volumes



Consolidated	2019	2020	2021	2022	2023	9M 2024
UAE	724	928	1,025	1,060	1,053	1,062
Bahrain	28	32	33	34	37	37
Oman	32	32	33	52	53	53
India	-	-	-	-	1	4
Egypt	-	-	-	-	3	4.5
Total Consolidated	1,123	992	1,091	1,146	1,146	1,161
Equity Accounted						
UAE	71	71	9	9	33	33
KSA	110	110	110	110	124	124
Total Equity Accounted¹	181	181	119	119	157	157
Total Capacity (k RT)	965	1,174	1,210	1,264	1,303	1,318
Consolidated Consumption Volumes (billion RTh)	1.53	1.72	2.12	2.35	2.52	2.03

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

Proven track record of sustainable growth and resilient margins



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

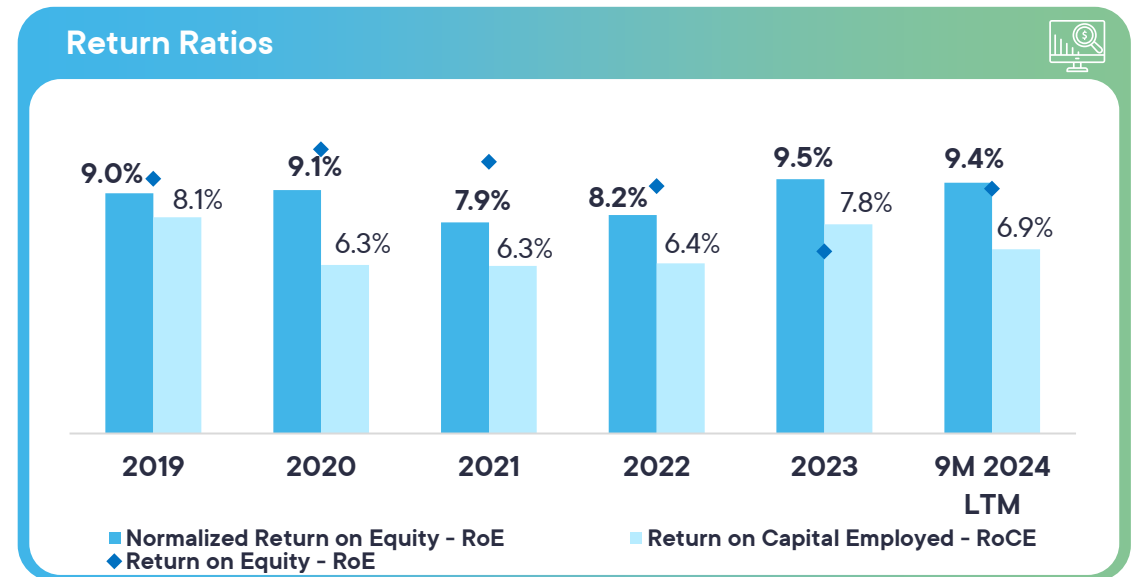
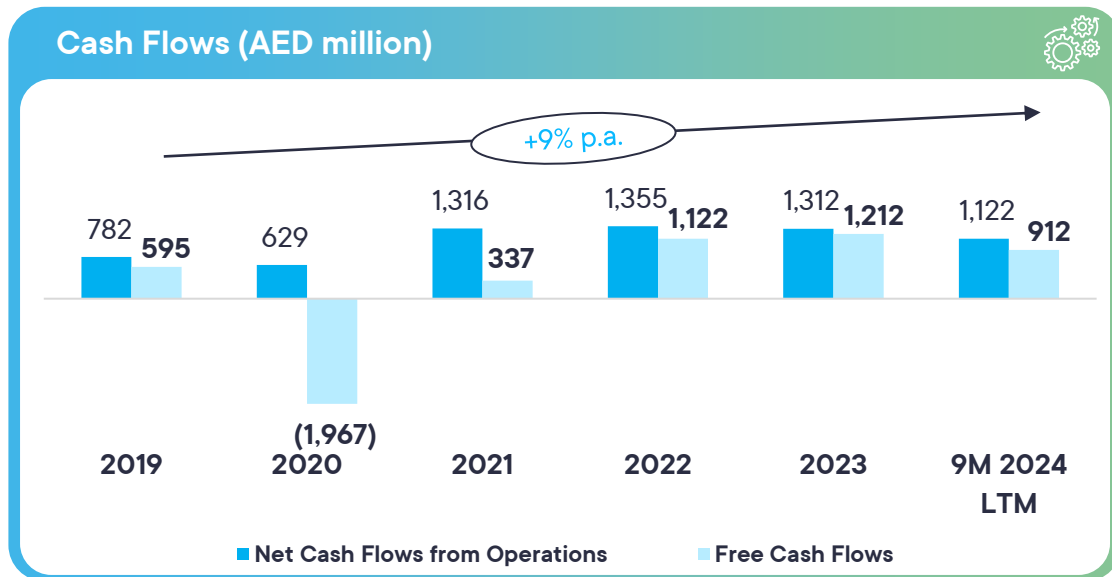
Robust cash flows underpin ability to deliver attractive shareholder returns



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.

Maintained Investment Grade credit rating, underscoring strong creditworthiness.

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



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



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