



National Central Cooling Company PJSC

(DFM:TABREED)

Investor Presentation

August 2019

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- 1. Overview of Tabreed**
- 2. Business Overview**
- 3. Board of Directors and Senior Management**
- 4. Financial Overview**
- 5. Conclusion**

1. Overview of Tabreed

A GCC Wide Environment Friendly Company Delivering Shareholder Returns

Tabreed is ...

- A provider of a part of GCC's critical infrastructure
- Delivering and operating district cooling solutions with high reliability
- Creating sustainable value for our shareholders
- Providing uninterrupted service to our customers and maintaining the comfort of the communities we serve

We aim to be the partner of choice for Governments and Corporations across GCC in providing environmentally friendly cooling solutions



Efficient and environment friendly operations

We harness the most efficient technology and utilize our extensive experience to deliver reliable and energy efficient cooling solutions that are environmentally friendly



Regional leader

As the region's preferred provider of cooling solutions, we focus on our customers' needs and deliver comfort, value and service to all the communities we serve



Sustainable long-term shareholder returns

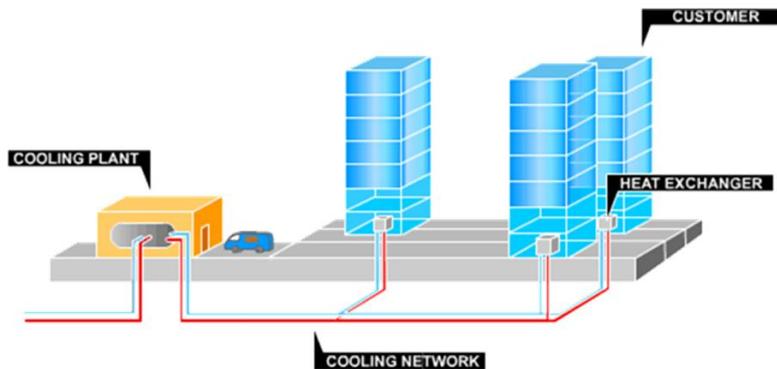
We generate sustainable long-term returns for our stakeholders on the back of the utility infrastructure business model

What is District Cooling?

District cooling vs. other in-building cooling solutions

District Cooling

A cooling plant supplies chilled water via an underground piping network to more than one building in a service area (or district)



VS.

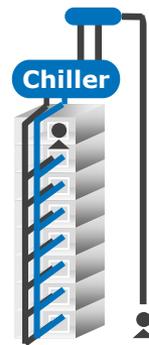
Air Cooled Chillers

In-building air cooled chiller units are usually placed on the roof of a building and supply chilled water via an internal network



Water Cooled Chillers

- In-building water cooled chiller units are usually utilized in large building and supply chilled water via an internal network
- Cooling Towers require additional space in or around the building



With and Without District Cooling

Past

Without District Cooling



Roof Top Chillers



Window A/C

Present

With District Cooling



Shangri-La



Rotana Hotel

District Cooling Benefits: The Big Picture

The GCC's Energy Needs are Increasing

Cooling represents 70% of peak energy consumption...



Population Growth



+

Economic Diversification



+

Continuing Industrialization



Year-round Hot Climate



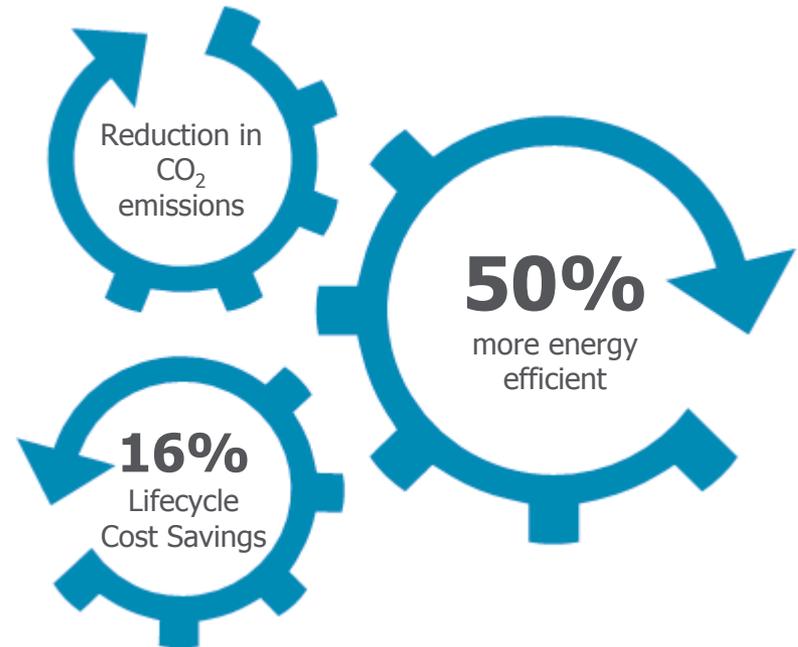
+

Increasing environmental consciousness



How District Cooling Fits Into it

District cooling uses only half the energy of conventional cooling & does not present any major operational risk



Lead to tangible benefits to customers and the government alike

Economic diversification initiatives

The economic diversification strategy in GCC countries is driving investments in high-density developments across several sectors



Tourism



Hospitality



Healthcare



Education



Retail



Residential



Commercial



Aviation



Railways



Ports

87 million sq. m. of upcoming high density developments where DC is the likely choice
Almost all of the recent high density developments are district cooled

Government policy

Government policy will increasingly promote DC
as GCC governments have ambitious energy efficiency targets

Energy subsidies

Decreasing energy subsidies in the GCC countries will **increase the attractiveness of DC** compared to conventional cooling as DC is more **energy efficient**

One of the world's largest district cooling companies

75

plants in
5 countries



1.15m RT

delivered to clients



Equivalent to cooling

115

towers the size of Burj Khalifa

Environmentally responsible operations reducing green house gas emissions



1.97 billion kWh

annual reduction in energy consumption in the GCC through Tabreed's DC services in 2018

=



Enough energy to power

112,000

homes in the UAE every year



986,000 tons

annual elimination
of CO₂ emissions

=

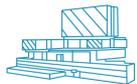


The equivalent of removing

214,000

cars from our streets every year

Exclusive provider of DC services to several iconic projects



Cleveland Clinic
Abu Dhabi



Dubai Parks
and Resorts



Dubai
Metro



Sheikh Zayed Grand
Mosque



Etihad Towers



World Trade
Center



The Pearl



Ferrari World

Strong financials

2018 revenue:

AED1,447m

2018 EBITDA:

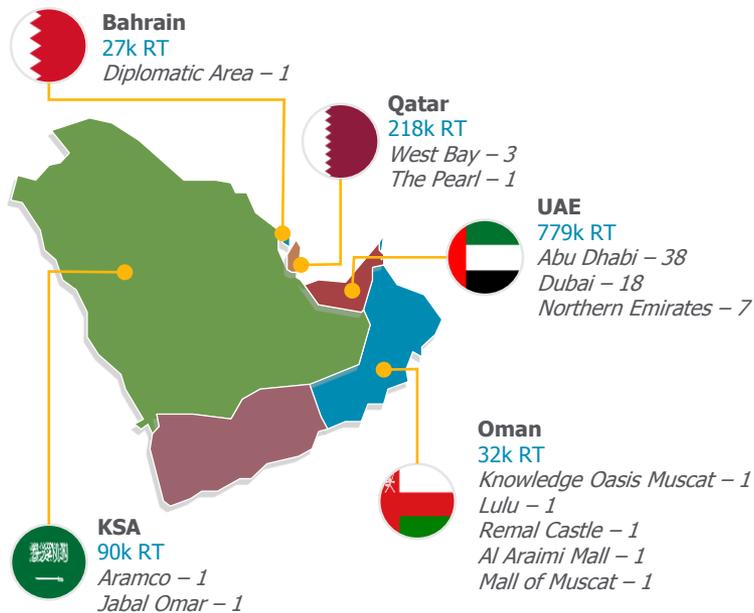
AED694m
48% margin

2018 net profit:

AED428m
30% margin

The only publicly listed and regional district cooling company in the world

- 5 GCC countries | 75 plants | 1.15m tons of cooling
- Uniform utility infrastructure model implemented across GCC
- Long term contracts underpinning stability of earnings and returns for shareholders



National Central Cooling Company and its UAE investments

- 55 consolidated plants, 8 held through associates and joint ventures
- Plants in 6 emirates of the UAE - Abu Dhabi, Dubai, Ajman, RAK, Sharjah and Fujairah
- 779k RT delivered to clients including some of UAE's most prominent landmarks

Landmark Projects: Dubai Metro, Dubai Parks and Resorts, Sheikh Zayed Grand Mosque, Yas Island, Al Maryah Island

Qatar District Cooling Company (Tabreed 44%)

- Joint Venture with United Development Company
- Owns and operates the world's largest DC plant on The Pearl with connected capacity of 116k RT
- Also owns and operates 3 DC plants and a concession in Qatar's West Bay (102k RT)

Landmark Projects: The Pearl – Qatar, West Bay

Saudi Tabreed District Cooling Company (Tabreed 20%)

- Partnership with ACWA Holding and others
- Owns and operates first significant DC plant in KSA – Saudi Aramco (32k RT)
- Also owns and operates a DC plant in the Holy City of Mecca for Jabal Omar Development Co. (58k RT)
- Operates the DC plant servicing the landmark King Abdulla Financial District (KAFD) development (50k RT)

Landmark Projects: Saudi Aramco, Jabal Omar Development

Bahrain District Cooling Company (Tabreed 99.8%)

- Owns and operates 1 DC plant (27k RT)
- Plant runs using sea water to provide cooling to the most prestigious developments in Bahrain

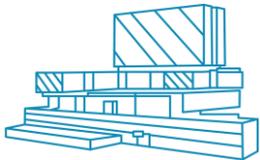
Landmark Projects: Reef Island, Financial Harbour, World Trade Centre

Tabreed Oman (Tabreed 60%)

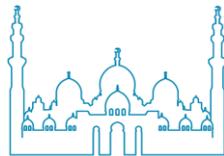
- A partnership between Tabreed and prominent Omani pension funds
- Owns and operates 5 plants serving Knowledge Oasis Muscat, Oman Avenues Mall, Remal Castle, Al Araiimi Mall and Mall of Muscat

Landmark Projects: Knowledge Oasis Muscat and Oman Avenues Mall

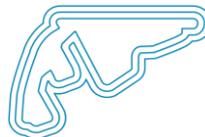
- 63 plants in Abu Dhabi, Dubai, Ajman, RAK, & Fujairah
- Critical infrastructure partner
- About 779k RT delivered to clients
- Exclusive district cooling provider to the UAE Armed Forces
- Cooling some of the UAE's most prominent landmarks, including:



Cleveland Clinic Abu Dhabi



Sheikh Zayed Grand Mosque



Yas Marina Circuit



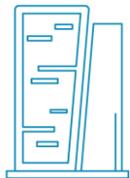
Ferrari World



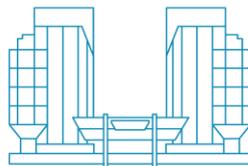
Dubai Metro



Dubai Parks and Resorts



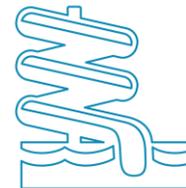
Rosewood Abu Dhabi



Abu Dhabi Global Market Square



Yas Mall



Yas Waterworld



Etihad Towers



Nation Towers

Connected Capacity

- Previously announced capacity guidance of 65,000 RT to be added in 2019 and 2020
- Added 11,518 RT during Q2 2019 including a new plant at Mall of Muscat (8,400 RT)
- YTD additions of 14,468 RT, all at the consolidated level

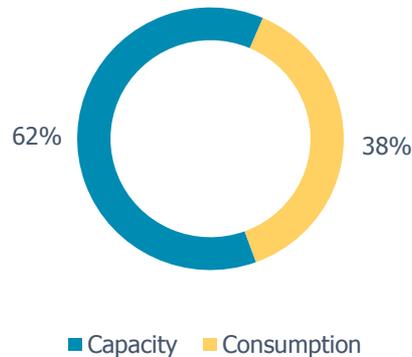
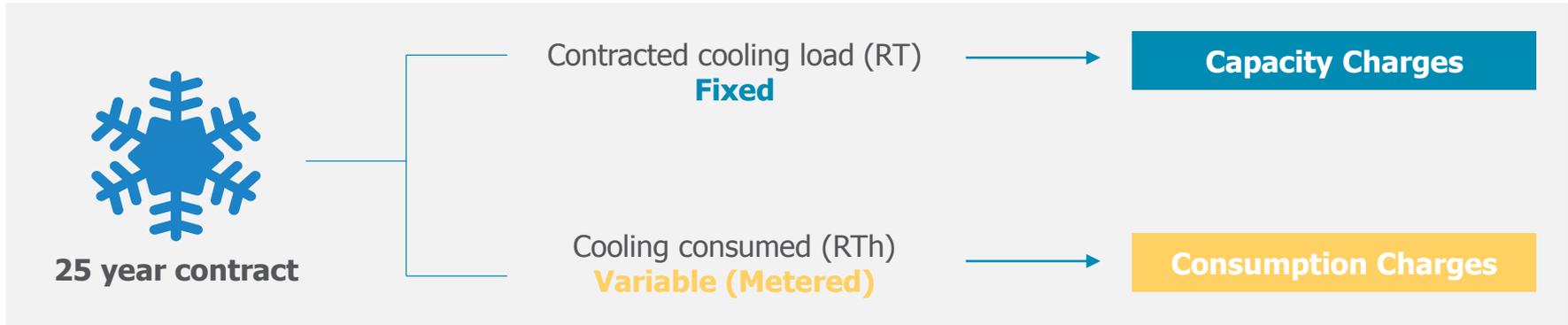
Consolidated	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
UAE	702	702	702	705	708
Bahrain	26	26	27	27	27
Oman	18	18	24	24	32
Total Consolidated	746	746	752	755	767

Equity Accounted	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
UAE	71	71	71	71	71
Qatar	214	214	218	218	218
KSA	83	90	90	90	90
Total Equity Accounted	368	375	379	379	379

Total	1,114	1,121	1,131	1,134	1,146
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2019 & 2020 Target: 65k RT
2019 additions: 15k RT

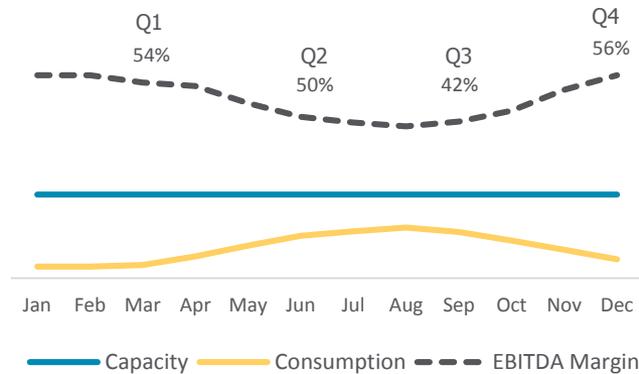
Utility Business Model



* Based on last 3 years average

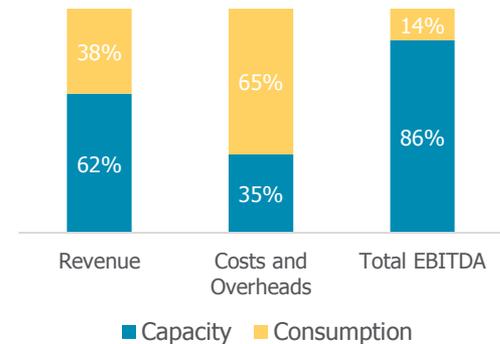
Majority of revenue comes from capacity charges

- Capacity charges reflect the cooling capacity reserved for the customer
- Consumption charges recover the cost of cooling consumed and is billed based on metering



Capacity revenue is fixed for the year while consumption revenue varies

- Consumption billing follows a bell curve in line with average temperatures in the region
- Capacity bills are a fixed amount every month
- Blended EBITDA margin is the highest in the winter months, average 50% for the year



* Based on last 3 years average

Consumption is a pass through and capacity provides returns

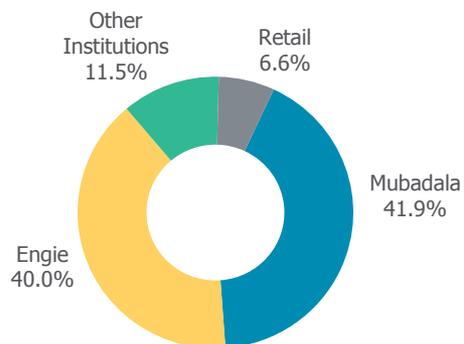
- Consumption revenue covers all variable costs of operation
- Capacity revenue covers fixed O&M, finance and corporate costs and provides return on capital

Significant shareholder support from Mubadala, a major Abu Dhabi government entity and ENGIE, one of the world's largest international power and utility companies, that offer deep operating experience in the utilities sector and a platform for further growth

MOODY'S¹

"Tabreed benefits from a supportive and complementary shareholder base. We view Mubadala and ENGIE as strong commercial and technical backers for Tabreed in the region. Both anchor shareholders also provide Tabreed with high standards for financial oversight and governance and in our view strengthen the commitment to the company's stated financial policies."

Shareholder composition*



Strategic shareholders



- **Abu Dhabi's leading strategic investment company with US\$226bn of assets**
- **Active in 13 sectors** and more than **30 countries around the world**, creating lasting value for its shareholder, the Government of Abu Dhabi
- The Abu Dhabi Investment Council (ADIC) became a part of Mubadala Investment Company in March 2018 when the Government issued a restructuring law
- Mubadala invests in aerospace, ICT, semiconductors, metals and mining, renewable energy and utilities, and the management of diverse financial holdings
- Mubadala / Abu Dhabi government representatives **hold 4 of Tabreed's board seats**



- Global energy provider spanning **70 countries in 5 continents**
- Total group assets of **~EUR150bn (US\$184bn)**
- World leader in District Energy. First District Cooling plant in Europe in 1971 and now ~ 250K RT in Europe, US, and Asia
- ENGIE see Tabreed as their platform for District Cooling growth in the region
- ENGIE representatives hold **4 Tabreed board seats**

*No shareholders other than ENGIE and Mubadala own more than 5%

¹Moody's report number 1141584 published on October 8, 2018

Pursuing Growth Opportunities Across and Beyond GCC

- Selective growth strategy to build on the existing and solid cash generating base
- Criteria for pursuing a given growth opportunity include but are not limited to customer quality, strong/bankable contract structures, and IRR above hurdle rate
- Over 65k RT of fully contracted capacity to be connected over 2019 and 2020 (3% annual growth on existing base of 1,146 kRT)
 - Reflects the minimum growth expected as the 65kRT only includes fully sanctioned and contracted capacity

Growth avenues

Examples

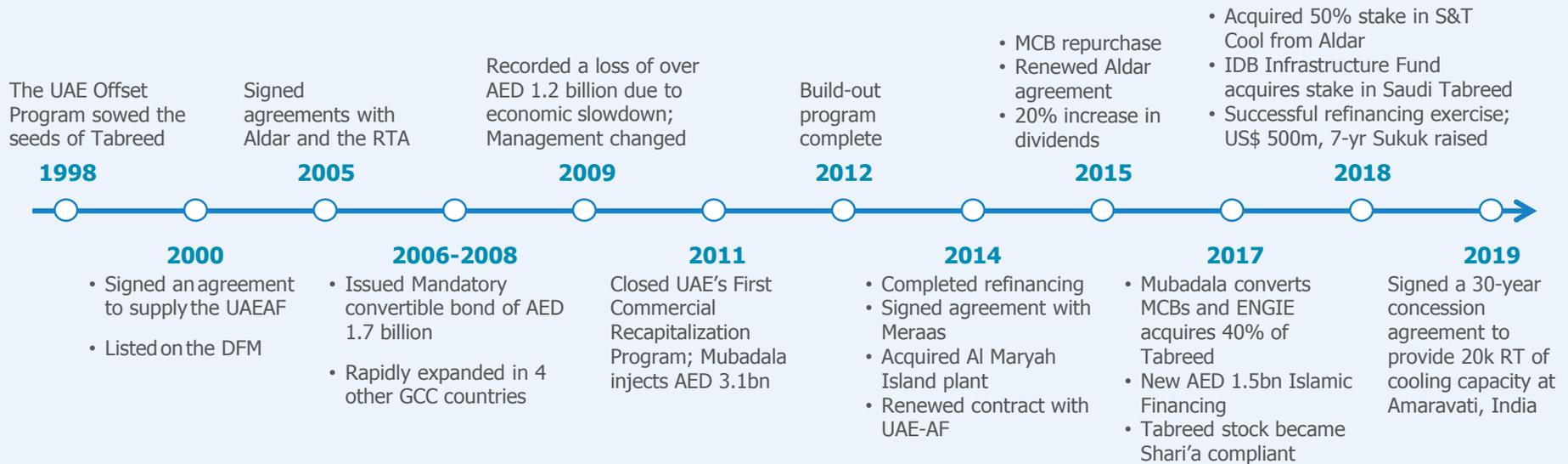
<h3>Concessions</h3>	<ul style="list-style-type: none"> • Tabreed has sole right to provide cooling services in a certain district • Any new buildings constructed in the district must connect to Tabreed • Long-term, high return contracts with tariffs similar to other buildings in the concession • Requires minimal capital outlay as infrastructure is already in place 	<ul style="list-style-type: none"> • UAE: Yas Island, Maryah Island, Dubai Parks Phase I • Qatar: Pearl Qatar • KSA: Jabal Omar development • Bahrain: Reef Island and Bahrain Financial Harbor
<h3>New connections</h3>	<ul style="list-style-type: none"> • New customers connecting to existing infrastructure • Customers are not bound to use Tabreed (unlike concessions) however, using Tabreed will often be the most economic option • Usually requires no additional fixed cost and provides higher margins 	<ul style="list-style-type: none"> • Tabreed has added around 60kRT to existing plants since 2011 • ~5% incremental capacity is currently available for new connections (e.g. Raha Beach)
<h3>New plants</h3>	<ul style="list-style-type: none"> • When a new plant is agreed and built for a new development • Driven by demand in the construction and real estate market 	<ul style="list-style-type: none"> • 2 new plants (over 25kRT) in 2018, 1 new plant (8.4kRT) in 2019 • Currently have 3 plants under construction across the region
<h3>Acquisitions</h3>	<ul style="list-style-type: none"> • Acquisitions from developers who own a plant but would prefer to outsource to a 3rd party provide the cooling services • Acquisitions of other independent cooling companies 	<ul style="list-style-type: none"> • Acquisition of BDCI (Al Maryah Island Plant) • Acquisition of ICT Nation towers plant • Acquisition of S&T Cool plant
<h3>New Geographies</h3>	<ul style="list-style-type: none"> • Explore growth opportunities in select new geographies outside GCC (e.g. Egypt and India) 	<ul style="list-style-type: none"> • Signed concession agreement for 20k RT of cooling at Amaravati in India

Tabreed is well placed to benefit from growth opportunities in and beyond GCC region through a mix of existing concessions, new connections, new plants and acquisitions / inorganic growth

2. Business Overview

A Successful Turnaround Story

- Tabreed was incorporated in 1998 and was listed on the DFM upon its formation
- Key customers agreements were signed in the first seven years with UAE Armed Forces, Aldar and the RTA
- The 2008 financial crisis led to recapitalization in 2011 and since then Tabreed has:
 - Adopted a new utility business model focusing on chilled water segment
 - Signed firm off-take contracts with credit-worthy and quality customers and expanded its geographical footprint
- Tabreed of today employees over 780 staff and has 75 plants in 5 GCC countries providing the infrastructure for the region’s sustainable development while providing sustainable returns to its shareholders



Connected Capacity (RT)	2000	2005	2010	2015	2019
Group Capacity	2,000	97,000	597,000	974,400	1,145,800
UAE Capacity	2,000	97,000	477,000	690,000	779,400

Owned and Consolidated Plants



UAE Armed Forces

- UAE Armed Forces was the first customer of the Company and continues to be an important partner
- Tabreed cools multiple military and training facilities
- Cooling agreement was renewed in 2014 for another 20 years



- Roads and Transport Authority of Dubai (RTA) is responsible for transport, roads & traffic in the Emirate of Dubai
- Tabreed has been providing cooling to all metro stations of the iconic Dubai Metro project since 2009
- Long term 27 year contract



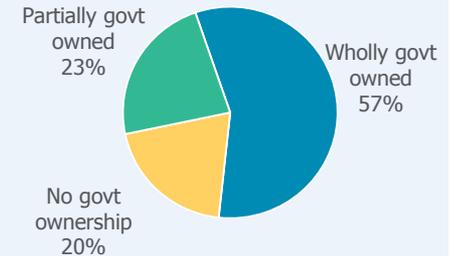
- Aldar Properties PJSC is the leading real estate developer in Abu Dhabi and listed on ADX
- Tabreed and Aldar have been in partnership since Aldar's incorporation in 2005
- Providing cooling to Aldar's developments on Yas Island, Al Raha Beach, Reem Island and Abu Dhabi Island
- Cooling agreement was renewed in 2015 for another 30 years



- DXB Entertainments is the owner of Dubai Parks and Resorts, the region's largest integrated theme park destination, and also manages six Dubai-based mid-way attractions
- Plant developed under a BOOT contract with a concession structure which expires in 2046

The top 4 customers accounted for 60% of chilled water revenues in 2018

Major proportion of contracts with government entities and large developers: Limited counterparty risk



Joint Ventures and Associates



Tabreed's UAE joint ventures and associates have long term contracts with key Government clients such as Mubadala, Cleveland Clinic Abu Dhabi, Abu Dhabi Global Market Square and ZonesCorp while also serving reputable private customers such as Aldar and Al Hilal Bank



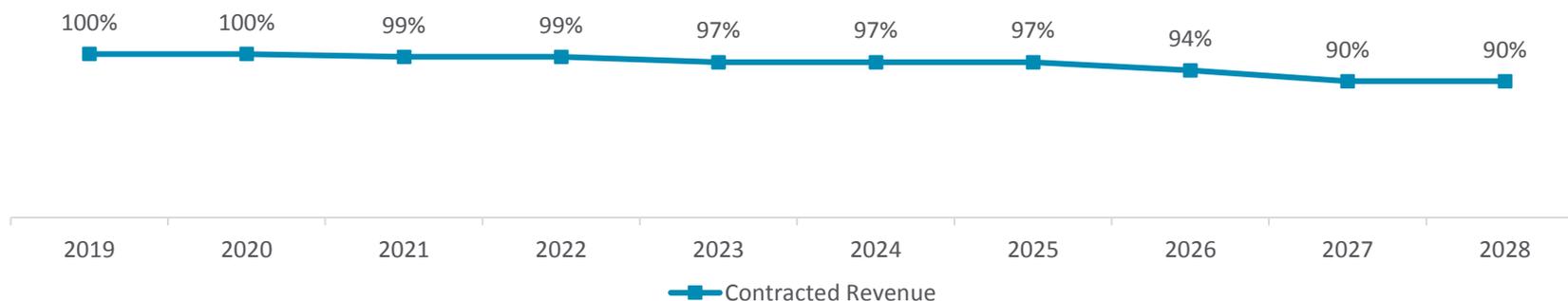
Our joint ventures and associates also provide cooling to key Government clients such as Saudi Aramco, King Abdullah Financial District and King Khalid International Airport. Also serve reputable private customers such as United Development Company in Qatar and Lulu in Oman

Guaranteed and Price Certain Contracts Provide Stability of Future Earnings

Long-term contracts underpin business model

- **Long term contracts** of typically 25+ years
- **Limited contract renewal risk**
 - Less than 1% of the company's contracted capacity maturing within five years
 - Less than 10% maturing within ten years
- **Only construct plants on guaranteed offtake contracts** with take-or-pay structures
- **Low contract termination risk** – once a customer is connected to DC, it is not economical to switch to alternative cooling infrastructure
- Factors that support contract renewal at or before expiry include:
 - Useful life of plant, equipment and network is expected to exceed contract terms
 - Currently, no viable or economical alternative is available for customers whose developments have been designed for DC
 - Tabreed's network of pipes and existing infrastructure put Tabreed in a favourable position for contracts to be renewed
- The Group has recently extended two of its material BOOT contracts

90%+ of capacity revenue is locked in over next 10 years



20 Years Experience of Building, Operating and Maintaining Plants

Tabreed's in-house team has been successful in designing, building, operating and maintaining some of the biggest District Cooling systems across the region for over 20 years

O&M STRATEGY

Safely operate and maintain the plants and facilities to provide reliable service efficiently while preserving the value and extending the life of the assets

Proven operations track record

- In-house operation of all plants since 1998
- Less than 0.01% scheduled and unscheduled downtime and no major outage or supply interruption in 20 years of operations
- Strong operating track record underpinned by comprehensive maintenance plans and critical equipment redundancy
- Recognized as a regional leader and contracted by 3rd parties to manage their plants and facilities

Centralized maintenance

- Experienced in-house maintenance teams to serve all plants
- Rigorous predictive and preventive maintenance schedule with a lifecycle view
- Stand-by team on hand to address any maintenance needs
- Emergency and recovery plans in place to deal with any outages
- In house building maintenance team to support certain customer side cooling infrastructure

24/7 manned operations

- Operators present at plants at all times
- Regular operational and HSE training and development programs for operators
- Integrated control and monitoring of all major equipment in plants using SCADA
- Dedicated centralized performance management team monitoring plant performance and enhancing power efficiencies

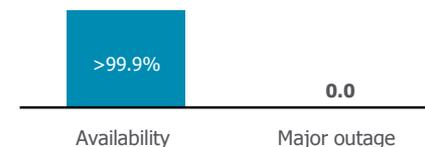
Project design and delivery

- Joint venture with SNC Lavalin to provide EPC expertise. JV has so far constructed more than 60 plants for Tabreed and third parties
- Experienced in-house project management team to manage delivery of projects
- Designed complex systems specific to customer needs such as Dubai Metro, Yas Island, Dubai Parks and others

Headcount



Plant Performance



Health, safety and environment is a key priority for Tabreed and is an integral part of business planning and strategic goal setting

HSE Policy

- Conduct business in socially responsible manner
- HSE 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 performance

Leadership & Commitment

- Senior management is fully committed to HSE with direct reporting line to the CEO
- Reporting HSE performance to the Board of Directors on monthly basis
- HSE steering committee comprises COO, HSE, Operations and Internal Audit heads
- Multiple plant and site visits performed each year by CEO and senior management

Certifications

- Recipient of International Organization for Standardization and British Standard Institute certifications
 - ISO 9001 for quality management systems
 - ISO 14001 for environment management systems
 - OHSAS 18001 for occupational health and safety management systems

Implementation

- Integrating HSE into plant operations and processes
- Development of Tabreed's HSE manual
- Regular HSE training and awareness programs to enhance HSE readiness
- Regular internal and external HSE audits to ensure compliance with UAE regulations and international standards
- Automated HSEQ incident reporting and tracking systems accessible to all Tabreed employees
- Mandatory HSE induction, training for Tabreed employees and contractors as well

	2016	2017	2018
Total Recorded Incident Rate	0.80	0.51	0
Lost Time Injury Frequency Rate	0	0	0

3. Board of Directors and Senior Management

Board of Directors



Khaled Abdulla Al Qubaisi
Chairman

Khaled Al Qubaisi is the Chief Executive Officer, Aerospace, Renewables and Information Communications Technology (ICT) at Mubadala.

Other Board Positions

Mr. Al Qubaisi is also the Chairman of the Board of Injazat Data Systems (Injazat) and Board Member of Abu Dhabi Future Energy Company (Masdar), Emirates Global Aluminium (EGA) and Global Foundries.



Paulo Almirante
Vice Chairman

Paulo Almirante is currently Executive Vice President of global energy leader ENGIE.

Other Board Positions

Mr. Almirante is a board member of numerous ENGIE group companies. He is also a member of ENGIE's Executive Committee in charge of Brazil; Middle East, South and Central Asia and Turkey; North, South and Eastern Europe and Generation Europe.



Frédérique Dufresnoy

Deputy Director of Decentralized Solutions for Cities at global energy leader ENGIE

Prior to that, she was the Director of Finance, Risks and International Development at ENGIE and CFO of the company's European operations



Mohammed Al Huraimel Al Shamsi

Director of Utilities Investments in Mubadala

Board Member of Jiangsu Suyadi Tancai Company and SMN Power Holding in Oman



H.E. Dr. Ahmad Belhoual Al Falasi
Member

Minister of State for Higher Education and Advanced Skills

Board member of Masdar



Mohamed Jameel Al Ramahi

Chief Executive Officer of Abu Dhabi Future Energy Company (Masdar)

Board Member of Dudgeon Offshore Wind Farm in the UK, the Masdar Solar Wind Cooperative, Masdar Investment Committee, and Torresol Energy



Frédéric Claux

Head of Acquisitions, Investments and Financial Advisory for global energy leader ENGIE

Mr Claux also serves as a non-executive Board member of Les Eoliennes en Mer (offshore wind)



Sébastien Arbola

CEO of the Middle East, South and Central Asia and Turkey region for global energy leader ENGIE

Prior to that, he was the CFO and Senior Vice President of the company's Asian environmental operations as M&A Group Director



Saeed Ali Khalfan Al Dhaheri

Director of Investments at Ali & Sons Holding LLC

Senior Management



Bader Al Lamki
Chief Executive Officer

Appointed as Tabreed's Chief Executive Officer in April 2019.

Prior to joining Tabreed, he was responsible for steering the Masdar Clean Energy business growth activities and played a key role in building the company's renewable energy portfolio across 25 countries.

Prior to that, Bader worked at ADMA-OPCO successfully leading a strategic development initiative to increase the company's daily oil production reflecting on the overall revenue of the company.

Earlier in his career, he also worked for a number of renowned organizations, such as French oil major, Total, advising the company on oil and gas projects in Africa.



Stephen Ridlington
Chief Financial Officer

Appointed as Tabreed's Chief Financial Officer in February 2015, a position he previously held between 2009 – 2011.

In his first tenure with Tabreed, Steve led the company through its AED 3 billion recapitalization, and designed a new financial strategy to ensure the Company's long-term profitability.

Before re-joining Tabreed, he was the CFO for London-based Buried Hill.

Steve's international experience spans many countries and nearly three decades, including five years spent with Russian-based TNK-BP, and 17 years with BP.



Hamish Jooste
Chief Legal Counsel

Hamish joined Tabreed in 2012 and in addition to serving as Chief Legal Counsel, he acts as Secretary to the Board of Directors of Tabreed.

He is a lawyer with over 18 years of experience in corporate law, M&A, banking and utilities.

Prior to joining Tabreed, he has practiced law in four countries across three different continents at large international law firms including Herbert Smith LLP where he worked on many landmark deals in the region.



Jean-Francois Chartrain
Chief Operating Officer

Jean-Francois has over 18 years of experience in the fields of Business Development, Engineering and Construction. He has diverse experience in different businesses such as utilities, energy and renewables, and environment industries across various geographies.

In his previous role as Technical Director with ENGIE ITALIA, he headed 3 separate departments; design, maintenance engineering, and energy efficiency. He was also responsible for leading the private development of the district heating scheme.

Previously, he also worked with GDF SUEZ Energie Services, CLIMESPACE and INGEVALOR.



François Xavier Boul
Chief Development Officer

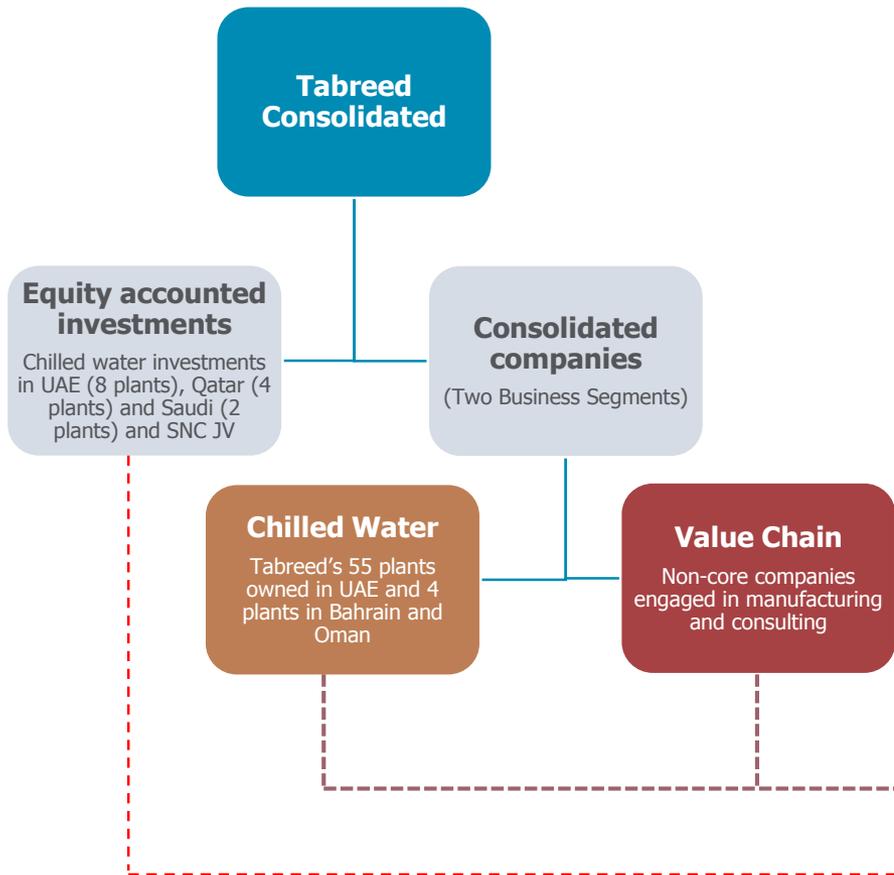
François-Xavier ("FX") has over 15 years of experience in the fields of Business Development, Acquisitions, Project and Structured Finance. He has a diverse experience in different businesses such as construction, banking, financial services, utilities, and oil and energy industries across various geographies.

His last assignment was with ENGIE Group (in UAE) as Senior Vice President – Business Development wherein, he was responsible for leading the business development, structuring and negotiation of projects, and equity investments.

Prior to this, he worked for ACWA Power (Dubai), ABC Bank (Bahrain), Ambac (London) and Natixis (Paris).

4. Financial Overview

Tabreed's Financial Statements



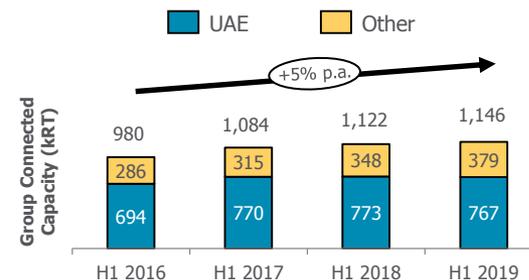
Consolidated Income Statement (AEDm)		2018
Revenue		1,447
Operating cost		(784)
Gross Profit		663
Administrative and other expenses		(204)
Profit from Operations		459
Net finance costs		(161)
Other gains and losses		43
Share of results of associates and joint ventures		90
Income attributable to non-controlling interests		(4)
Net Profit		428

Chilled water contributes ~95% of total revenues and Gross Profit, and 98% of EBITDA; While value chain businesses are profitable, they contribute about 5% to Tabreed's Revenue and Gross Profit

Headline Performance

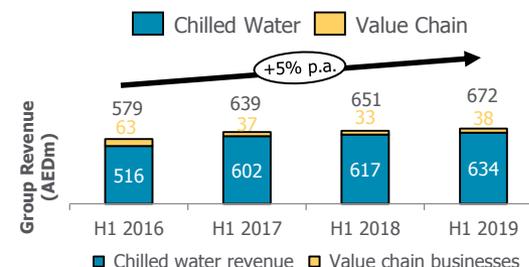
Long-term contracts with credit worthy customers

- Providing over 1.15m RT of cooling across GCC – growing 5% annually since 2016
- Long term contracts (~25 years) mean over 90% of contracted capacity locked in for at least the next 10 years
- About 70% of revenues from wholly government owned and partially government owned entities



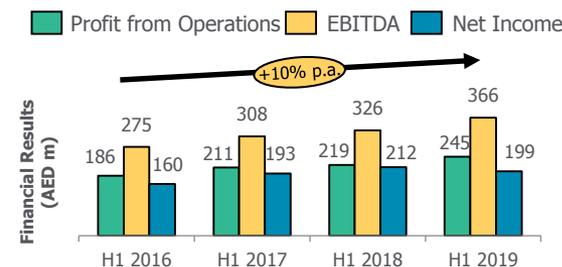
Revenue growth from existing and new business

- Group revenue growing at a 5% CAGR since 2016 driven by Chilled Water revenue growth of 7%
- Utility business model leads to steady increases in revenue and profitability from existing customers
- Signed the first concession agreement in India



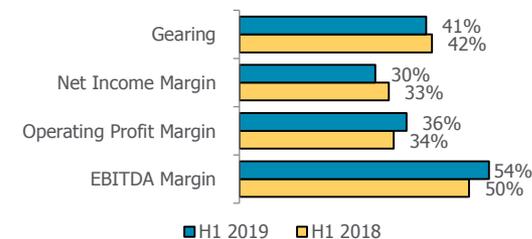
Solid financial performance

- Predictability in earnings driven by capacity charge
- Net income has grown 8% and EBITDA 10% annually since 2016



Value to shareholders

- EBITDA margin of 54%
- Strong balance sheet
- Stable cash flow generation



H1 2019 Income Statement

Consolidated Financials (AED m)	H1 2019	H1 2018	Variance	%
Revenue	672	651	21	3%
<i>Chilled water revenue (93%)</i>	634	617	17	3%
<i>Value chain businesses (7%)</i>	38	33	4	12%
Operating cost	(322)	(329)	7.5	-2%
Gross Profit	350	321	29	9%
<i>Gross profit margin</i>	<i>52%</i>	<i>49%</i>		
Administrative and other expenses	(105)	(102)	(2.5)	2%
Profit from Operations	245	219	26	12%
<i>Operating profit margin</i>	<i>36%</i>	<i>34%</i>		
Net finance costs	(90)	(86)	(4)	4%
Other gains and losses	10	34	(24)	-72%
Share of results of associates and joint ventures	40	46	(6)	-13%
Income attributable to non-controlling interests	(6)	(1)	(5)	-
Net Income	199	212	(13)	7%
<i>Net Income margin</i>	<i>30%</i>	<i>33%</i>		
EBITDA	366	326	40	12%
<i>EBITDA margin</i>	<i>54%</i>	<i>50%</i>		

Key Observations

- Increase in revenue mainly driven by chilled water CPI adjustment for 2018, new connections and consolidation of S&T
- Finance cost higher mainly due to IFRS 16
- Other gains last year included a gain of AED 32.6 on partial disposal of Saudi Tabreed
- Share of results of associates and joint ventures declined compared to prior year mainly due to lower contribution from Saudi Tabreed
- EBITDA margin expanded from 50% to 54%; IFRS 16 implementation had 3% impact on EBITDA margin

H1 2019 Financial Position

Consolidated Financials (AED m)	Jun 30, 2019	Dec 31, 2018	Variance	%
Fixed Assets	7,349	7,026	323	5%
Associates and Joint Ventures	585	579	5	1%
Accounts Receivable	609	568	41	7%
Cash and Short Term Deposits	201	249	(48)	-19%
Other Assets	62	61	0	0%
Total Assets	8,806	8,484	322	4%
Equity and Reserves	4,749	4,737	11	0%
Non Convertible Sukuk	1,829	1,829	0	0%
Other Corporate Debt	1,442	1,160	282	24%
Other Liabilities	787	758	29	4%
Total Liabilities and Equity	8,806	8,484	322	4%

Key Observations

- Increase in fixed assets primarily due to the implementation of IFRS 16
- Increase in accounts receivables mainly due to short term timing delays in customer collections
- Increase in Other Corporate Debt reflects the implementation of IFRS 16

H1 2019 Cash Flow Statement

Consolidated Financials (AED m)	H1 2019	H1 2018	Variance	%
Profit from Operations	245	219	26	12%
Finance lease amortization	29	33	(4)	-11%
Depreciation	92	74	17	23%
Working Capital and other adjustments	(16)	(45)	28	-63%
Net cash flows from Operating Activities	349	281	68	24%
Capital expenditure incurred	(38)	(41)	3	-6%
Acquisition of additional share in a subsidiary	-	(5)	5	-
Dividends and interest income received	15	54	(40)	-73%
Acquisition of S&T	-	(252)	252	-
Net cash flows from Investing Activities	(24)	(203)	179	-88%
Debt servicing	(115)	82	(197)	-
Others	(259)	(222)	(37)	17%
Net cash flows from Financing Activities	(374)	(139)	(234)	168%
Net Movement in Cash and Cash Equivalents	(48)	(61)	13	-22%
Cash and Cash Equivalents at the start of the period	249	418	(169)	-40%
Cash and Cash Equivalents at the end of the period	201	357	(156)	-44%

Key Observations

- Strong operating cash flows driven by higher profitability and improved working capital cycle
- Movement in dividend received due to special dividend on disposal of partial stake in Saudi Tabreed last year
- Movement in debt servicing mainly due to higher RCF drawdown last year
- Movement in Others due to higher dividend pay out this year

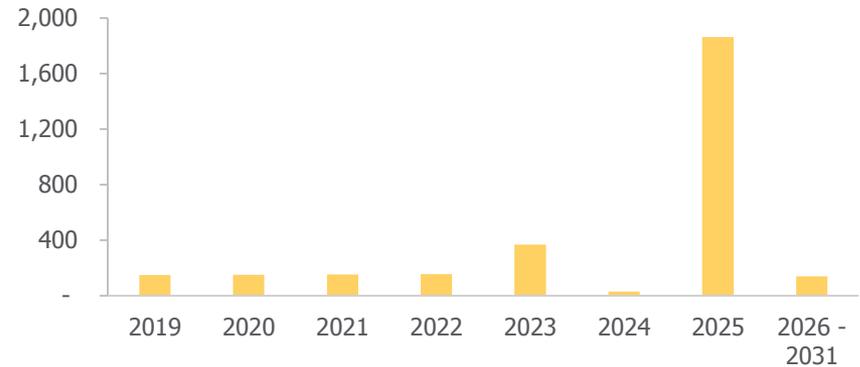
H1 2019 Debt Portfolio and Return Ratios

- Current gearing of 41% (vs. 39% in Dec 2018 and 42% in Jun 2018); Increase in debt in H1 2019 due to implementation of IFRS 16
- No significant debt repayments until the Sukuk matures in 2025
- Strong improvement in Net Debt to EBITDA ratio as EBITDA continues to grow and debt declines
- Consistent improvement in return ratios

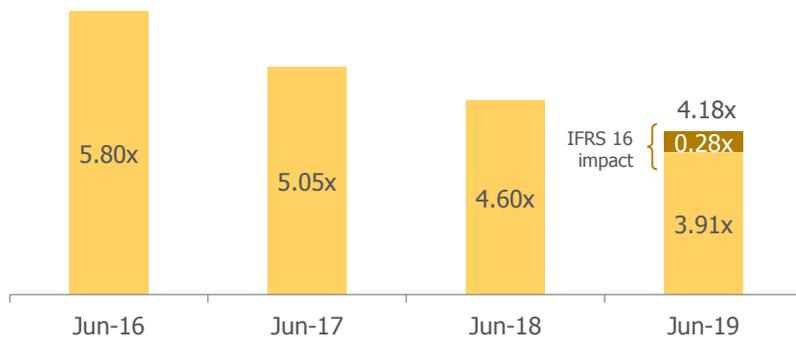
Net Debt Profile (AED m)



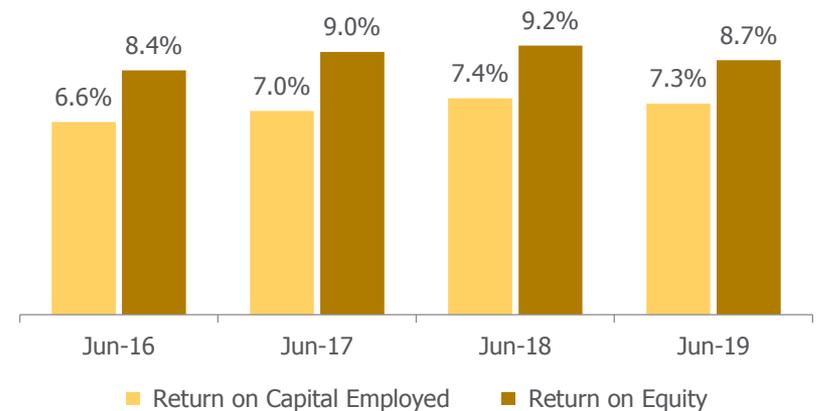
Debt Maturity Profile (AED m)



Net Debt to LTM EBITDA



Return on Capital Employed and Return on Equity



5. Conclusion

Why District Cooling?

- District Cooling is a critical part of the growing GCC infrastructure
- District Cooling is 50% more energy efficient than conventional cooling and 16% cheaper for the customer

Why Tabreed?

- One of the largest district cooling companies in the world with experienced management team
- Over 20 years of excellent operational performance, on-time delivery of projects and expertise in financing DC assets
- Relationships with Government and key real estate developers across the region
- A strong shareholder base with Mubadala and ENGIE providing support to operations and growth
- Investment grade credit ratings from Moody's (Baa3, Stable) and Fitch (BBB, Stable)
- Sukuk issue and refinance of the current debt delivers improved balance sheet efficiency and longer term maturity

Robust Financial Results

- Sustainable, stable and predictable results, low operating risk business model with strong margins
- Net income has grown 8% and EBITDA 10% annually since 2016, driven by capacity additions and CPI pass through
- Stable utility infrastructure business model enables consistent performance

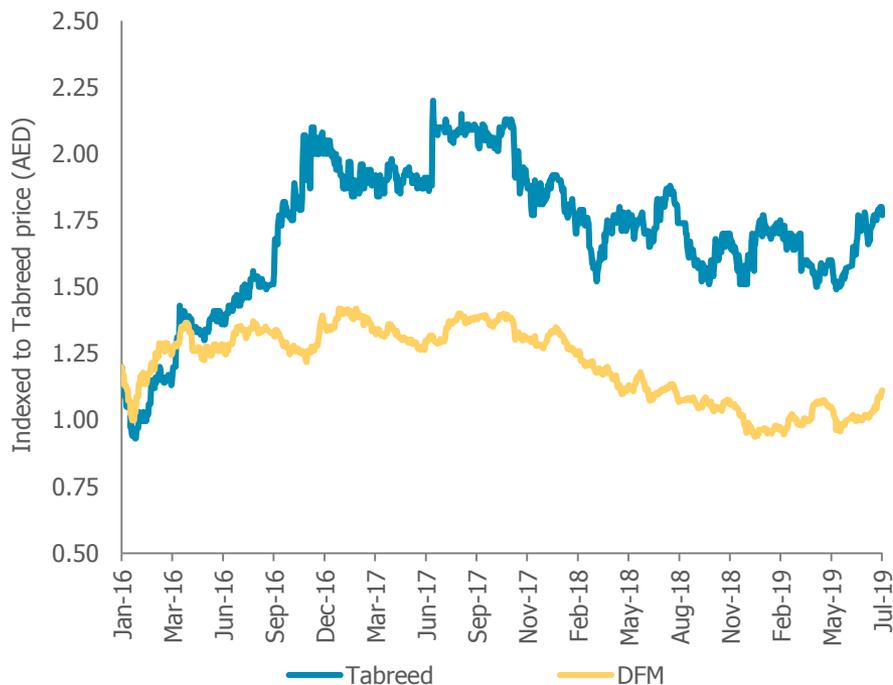
Seeking and investing in opportunities across GCC

- Focus on stable Chilled Water leading to enhanced value from existing plants and increasing operational efficiencies
- Seeking and investing in organic and inorganic projects across the GCC and selectively outside of GCC
- De-risking projects by using "take or pay" fixed date contracts and ring-fenced project financing
- Entry into India with a 30-year concession agreement to provide district cooling at the new Capital City, Amaravati

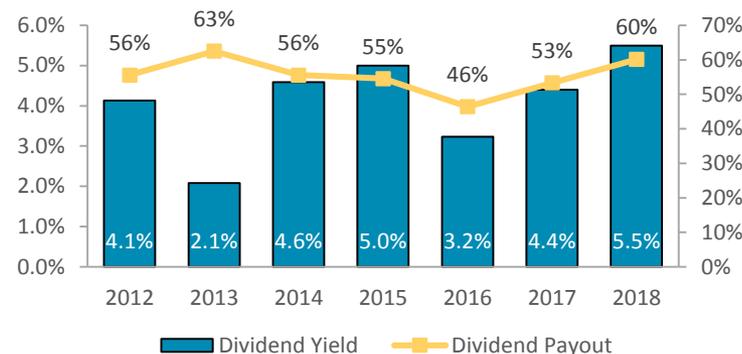
Track record of delivering capacity growth

- 166k RT capacity added since 2016
- 65k RT of signed up capacity additions expected by the end of 2020; 15k RT delivered in H1 2019
- Regional footprint allows access to varied growth opportunities
- Operational track record, customer relationships and financial strength to benefit from growth in the region

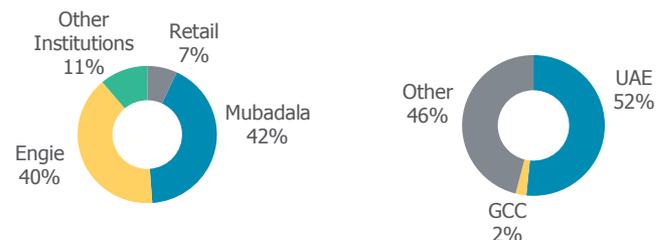
2016 to date – Market price of Tabreed vs. DFM



Cash dividend yield (% of 31 Dec share price) and Dividend Payout



Shareholder Composition and Geographical Spread



Solid performance vs DFM index

- Seven consecutive years of dividend distribution beginning in 2012; 2018 dividend of 9.5 fils/share
- Share price beating DFM index since 2016
- A strong shareholder base with Mubadala and ENGIE providing support and operations growth

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2018 Income Statement

Consolidated Financials (AED m)	2018	2017	Variance	%
Revenue	1,447	1,399	47	3%
<i>Chilled water revenue (94%)</i>	1,361	1,317	44	3%
<i>Value chain businesses (6%)</i>	86	82	3	4%
Operating cost	(784)	(772)	(12)	2%
Gross Profit	663	628	35	6%
<i>Gross profit margin</i>	<i>46%</i>	<i>45%</i>		
Administrative and other expenses	(204)	(196)	(8)	4%
Profit from Operations	459	432	27	6%
<i>Operating profit margin</i>	<i>32%</i>	<i>31%</i>		
Net finance costs	(161)	(161)	0	0%
Other gains and losses	43	2	41	-
Share of results of associates and joint ventures	90	129	(39)	-30%
Income attributable to non-controlling interests	(4)	(2)	(2)	-
Net Income	428	400	27	7%
<i>Net Income margin</i>	<i>30%</i>	<i>29%</i>		
EBITDA	694	628	66	10%
<i>EBITDA margin</i>	<i>48%</i>	<i>45%</i>		

Key Observations

- Increase in revenue mainly driven by consolidation of S&T, capacity additions in Oman and Bahrain and chilled water CPI adjustment for 2018
- Share of results of associates and joint ventures declined compared to prior year mainly due to the impact of new accounting standard (IFRS 15), consolidation of S&T and dilution of stake in Saudi Tabreed
- Finance cost unchanged at AED 161m

Stable utility business model with EBITDA margins of ~48%

2018 Financial Position

Consolidated Financials (AED m)	Dec 31, 2018	Dec 31, 2017	Variance	%
Fixed Assets	7,026	6,874	152	2%
Associates and Joint Ventures	579	826	(247)	-30%
Accounts Receivable	568	517	52	10%
Cash and Short Term Deposits	249	418	(169)	-40%
Other Assets	61	60	1	2%
Total Assets	8,484	8,696	(211)	-2%
Equity and Reserves	4,737	4,797	(60)	-1%
Non Convertible Sukuk	1,829	-	1,829	-
Islamic Financing	-	1,155	(1,155)	-100%
Other Corporate Debt	1,160	2,013	(853)	-42%
Other Liabilities	758	730	28	4%
Total Liabilities and Equity	8,484	8,696	(211)	-2%

Key Observations

- Increase in fixed assets primarily reflects consolidation of S&T
- Decrease in Associates and Joint Ventures reflects dividend received, IFRS 15 adjustment for Qatar Cool, transfer of S&T to consolidated subsidiary and 5% dilution of stake in Saudi Tabreed
- Increase in accounts receivables primarily due to consolidation of S&T and impact of VAT
- Movement in debt reflects refinancing activity in Q4 2018 and strong operating cash flows enabling reduction in debt

Robust balance sheet optimally positions Tabreed to capitalize on future growth opportunities

2018 Cash Flow Statement

Consolidated Financials (AED m)	2018	2017	Variance	%
Profit from Operations	459	432	27	6%
Finance lease amortization	85	56	30	53%
Depreciation	150	140	9	7%
Working Capital and other adjustments	(32)	(73)	41	56%
Net cash flows from Operating Activities	662	555	107	19%
Capital expenditure incurred	(100)	(198)	98	-50%
Acquisition of additional share in a subsidiary	(5)	-	(5)	-
Dividends and interest income received	75	123	(48)	-39%
Proceeds from sale of stake in Saudi Tabreed	40	-	40	-
Acquisition of S&T	(252)	-	(252)	-
Net cash flows from Investing Activities	(241)	(74)	(167)	-225%
Loans drawn down and principal repayments (net)	(2,051)	(67)	(1,984)	-
Sukuk received	1,829	-	1,829	-
Interest payments	(130)	(144)	14	-10%
MCB cash coupon paid	-	(43)	43	-
Others	(238)	(199)	(39)	-20%
Net cash flows from Financing Activities	(590)	(453)	(138)	-30%
Net Movement in Cash and Cash Equivalents	(169)	28	(198)	-
Cash and Cash Equivalents at the start of the period	418	390	28	7%
Cash and Cash Equivalents at the end of the period	249	418	(169)	-40%

Key Observations

- Strong operating cash flows driven by higher profitability and improved working capital cycle
- Investing cash flows primarily reflect acquisition of S&T
- Financing cash flows mainly include dividend payment; scheduled debt repayment and refinancing in 4Q 2018

Strong cash flow generation from long term price certain contracts