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National Central Cooling Co.

(DFM:TABREED)

H1 2017 Earnings Call

27 July 2017

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Agenda

A | Introduction and Performance Highlights – Jasim Thabet, CEO

B | Financial Results – Steve Ridlington, CFO

C | ENGIE Transaction and Conclusion – Jasim Thabet, CEO

Building on the strong start to 2017

Chilled water segment driving 20% increase in Net Profit during H1 2017

- Net Profit increased by 20% driven mainly by chilled water business across the region
- Consolidated capacity increased by over 68kRT (10%) in the second half of 2016 resulting in the double-digit increase in Net Profit in H1 2017
- EBITDA increased by 12% reaching AED 308m, ahead of the 10% growth in revenue

36kRT of new capacity added in H1 2017

- We have previously announced 60kRT of capacity additions across the GCC by end of 2018
- 20kRT added during the first quarter
- 16kRT added in Q2 2017 across the GCC taking the year to date capacity addition to 36kRT, including new capacities at Warner Bros. theme park on YAS Island and a new plant at Remal Castle in Oman

Other Developments

- Mubadala will convert all its Mandatory Convertible Bonds (MCBs) into equity shares
- Simultaneously, ENGIE – a multinational energy leader – will acquire 40% of Tabreed from Mubadala
- Mubadala will retain a 42% equity interest and remain Tabreed's largest shareholder
- Board of Directors of Tabreed has approved the MCB conversion and increase in share capital. The conversion is expected to complete in Q3 2017 following necessary regulatory approvals
- During Q2, Tabreed closed a 10 year, AED 1.5bn Islamic facility to refinance shorter term corporate borrowing

Continued robust financial performance driven by chilled water business segment

Tabreed at a glance

One of the world's largest district cooling companies

72 plants in 5 countries

Approaching **1.1m RT** delivered to clients

Equivalent to cooling **108** towers the size of Burj Khalifa

Environmentally responsible operations reducing green house gas emissions

1.4 billion kWh annual reduction in energy consumption in the GCC through Tabreed's DC services in 2016

=

Enough energy to power **48,000** homes in the UAE every year

713,000 tons annual elimination of CO_2 emissions

=

The equivalent of removing **143,000** cars from our streets every year

Serving iconic projects across the region

Cleveland Clinic Abu Dhabi

Dubai Parks and Resorts

Dubai Metro

Sheikh Zayed Grand Mosque

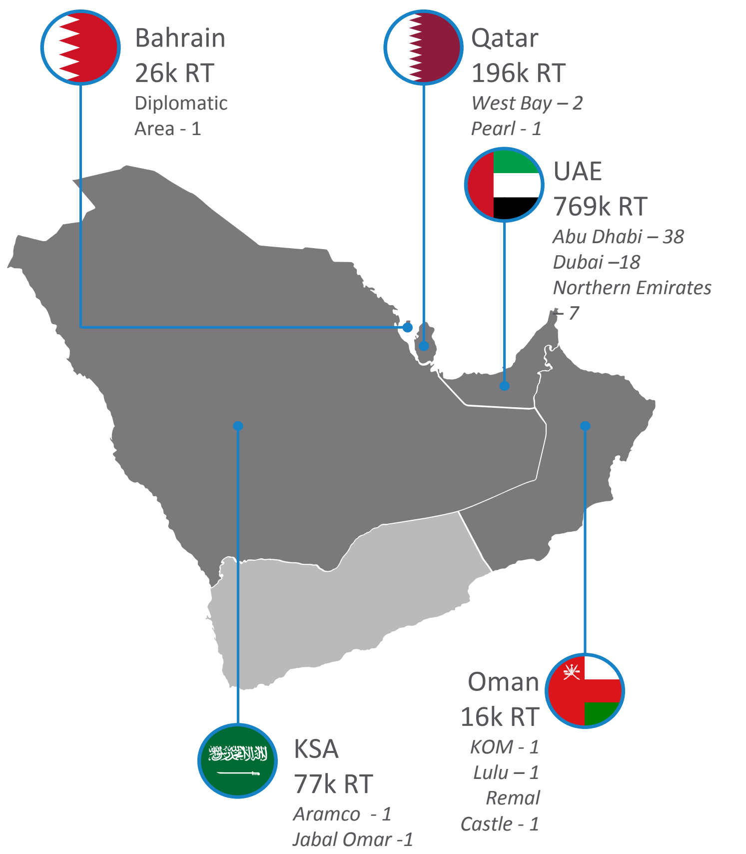
Etihad Towers

Jabal Omar Project

The only listed DC Company and operating across the region

5 GCC Countries | 72 Plants | Approaching 1.1m tons of cooling

- Only listed DC company in GCC markets
- Uniform utility infrastructure model implemented across GCC
- Long term contracts underpinning stability of earnings and returns for shareholders



Capacity (kRT)	UAE	Qatar	KSA	Bahrain	Oman	Total
Consolidated	667	-	-	26	16	**709**
Equity Accounted	102	196	77	-	-	**375**
Total	**769**	**196**	**77**	**26**	**16**	**1,084**

National Central Cooling Company and its UAE investments

- 59 consolidated plants, 4 held through associates and joint ventures
- Plants in 6 emirates of the UAE - Abu Dhabi, Dubai, Ajman, RAK, Sharjah and Fujairah
- 769 kRT 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 130 kRT DC plant on The Pearl (109 kRT)
- Also owns and operates 2 DC plants and a concession in Qatar's West Bay (87 kRT)

Landmark Projects: The Pearl – Qatar, West Bay

Saudi Tabreed District Cooling Company (Tabreed 25%)

- Partnership with ACWA Holding and others
- Owns and operates first significant DC plant in KSA – Saudi Aramco (32 kRT)
- Also owns and operates a DC plant in the Holy City of Mecca for Jabal Omar Development Co. (45 kRT)
- Operates the DC plant servicing the landmark KAFD development (50 kRT)

Landmark Projects: Saudi Aramco, Jabal Omar Development

Bahrain District Cooling Company (Tabreed 90%)

- Owns and operates 1 DC plant (26 kRT)
- 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%)

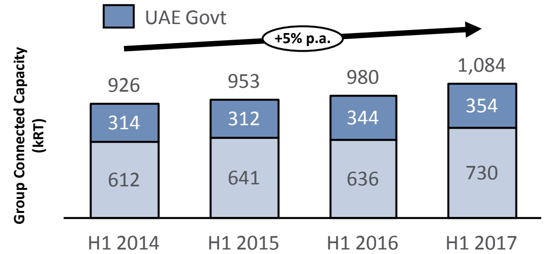
- A partnership between Tabreed and prominent Omani pension funds
- Owns and operates 3 plants serving Knowledge Oasis Muscat, Oman Avenues Mall and Remal Castle (added during Q2 2017)

Landmark Projects: Knowledge Oasis Muscat and Oman Avenues Mall

Headline Performance

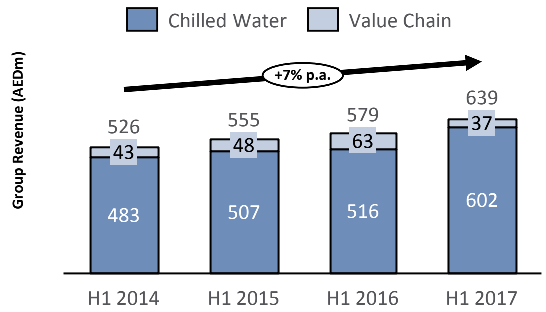
Long-term contracts with credit worthy customers

- Providing over 1.1m RT of cooling across GCC– growing 5% annually since 2014
- Consolidated capacity increase of 10% and equity accounted capacity of 11% y-o-y
- Long term price certain contracts (~25 years) ensuring stability in earnings
- ~46% of UAE capacity contracted with Government clients



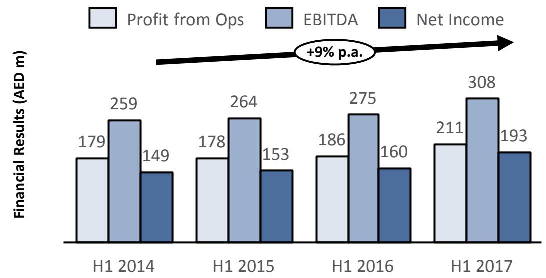
Revenue growth from existing and new business

- Utility business model leads to steady increases in revenue and profitability
- Total Group Revenue up 10%, reaching AED 639m, driven by new capacity additions
- Chilled Water revenue up 17% due to a 10% increase in consolidated capacity combined with impact of utility tariff and CPI pass through



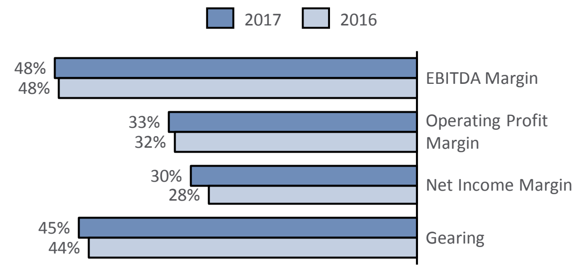
Strong operating performance and financial position

- Predictability in earnings driven by capacity charge
- Net income and EBITDA have grown at 9% and 6% annually since 2014
- Increasing profitability driven by economies of scale and cost control
- Net income and EBITDA up 20% and 12%, respectively in H1 2017



Profitability and value to shareholders

- Longstanding track record of dividend payment
- EBITDA margin steady at 48% in 1H 2017
- Net Profit margin improved by over 2% y-o-y to 30% in 1H 2017
- New Islamic financing to further strengthen capital structure



Stable utility infrastructure business with strong cash flows that continues to deliver earnings and dividend growth

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Financial Highlights

Income Statement

Consolidated Financials (AED m)	H1 2017	H1 2016	Variance	%
Revenue	639	579	61	+10%
Chilled water revenue (94%)	602	516	86	+17%
Value chain businesses (6%)	37	63	(26)	-41%
Operating cost	(327)	(295)	(31)	+11%
Gross Profit	**313**	**283**	**29**	**+10%**
Gross profit margin	49%	49%		
Administrative and other expenses	(101)	(97)	(4)	+4%
Profit from Operations	**211**	**186**	**25**	**+14%**
Operating profit margin	33%	32%		
Net finance costs	(82)	(75)	(7)	+10%
Other gains and losses	1	4	(3)	-71%
Share of results of associates and joint ventures	62	48	14	+29%
Income attributable to non-controlling interests	(0)	(3)	3	-92%
Net Profit	**193**	**160**	**32**	**+20%**
Net profit margin	30%	28%		
EBITDA	**308**	**275**	**33**	**+12%**
EBITDA margin	48%	48%		

Key Observations

- Revenue growth of 10% in H1 2017 reflecting capacity additions
- Net profit increase is driven by 17% increase in the chilled water segment
- Higher finance cost primarily reflects increase in EIBOR rates partly offset by portfolio hedge to fixed rates
- Associates and JVs continue to perform well with a 29% increase in share of results
- Gross margins remained stable, consistent with utility business model

Stable utility infrastructure business model enables consistent performance with ~50% EBITDA margins

Financial Highlights

Financial Position

Consolidated Financials (AED m)	Jun 30, 2017	Dec 31, 2016	Variance	%
Fixed Assets	6,937	6,977	(39)	-1%
Investments in associates and JVs	831	826	5	+1%
Accounts Receivable	523	409	114	+28%
Cash and Short Term Deposits	500	390	110	+28%
Other Assets	62	60	3	+5%
Total Assets	**8,854**	**8,661**	**193**	**2%**
Equity and Reserves	2,660	2,666	(5)	-0%
Convertible bonds - equity component	1,773	1,773	-	+0%
Debt	3,610	3,424	186	+5%
Other Liabilities	811	799	12	+1%
Total Liabilities and Equity	**8,854**	**8,661**	**193**	**2%**

Key Observations

- Higher cash balance primarily due to strong operating cash flows and increase in gross debt as existing corporate debt was refinanced:
  - AED 1,334m of new debt, largely reflecting drawdown on a new Islamic Financing of AED 1,220m
  - AED 1,116m of repayments reflecting AED 945m repayment of existing corporate debt and scheduled debt repayments
- Increase in accounts receivables primarily due to short term timing delays in customer collection which was rectified in July 2017

Balance sheet continues to show strength and positions Tabreed to finance further growth

Financial Highlights

Cash flow Statement

Consolidated Financials (AED m)	H1 2017	H1 2016	Variance	%
Profit from Operations	**211**	**186**	**25**	**+14%**
Finance lease amortization	28	28	0	+0%
Depreciation	69	62	7	+12%
Working Capital and Other adjustments	(25)	(17)	(8)	+45%
Net cash flows from Operating Activities	**283**	**258**	**25**	**+10%**
Capital expenditure incurred	(154)	(121)	(34)	+28%
Investments in JVs	-	(92)	92	-100%
Dividends and interest income received	54	47	7	+100%
Proceeds from land sale in Oman	-	12	(12)	-100%
Net cash flows from Investing Activities	**(101)**	**(154)**	**54**	**-35%**
Loans drawn down	114	289	(176)	-61%
Principal and interest payments on loans	(1,189)	(167)	(1,022)	+614%
Islamic financing arrangement received	1,220	-	1,220	+100%
MCB cash coupon paid	(22)	(43)	22	-50%
Others	(195)	(172)	(24)	+14%
Net cash flows from Financing Activities	**(72)**	**(92)**	**20**	**-22%**
Net Movement in Cash and Cash Equivalents	**110**	**12**	**99**	**+850%**
Cash and Cash Equivalents at the start of the period	390	193	197	+102%
Cash and Cash Equivalents at 30 June	**500**	**205**	**295**	**+144%**

Key Observations

- Operating cash generation remains strong due to higher profitability
- Capital expenditure included AED 100m paid to ICT for the acquisition of Nation Towers plant
- Healthy cash balance of AED 500m at the end of Q2 2017

Strong cash flow generation from long term price certain contracts enabling investment in growth

Debt portfolio; New Islamic Financing improves financial flexibility

AED 1.5bn refinancing with AED 500m of new debt capacity

- Management's strategy has been to match debt tenors to asset life
- During Q2, Tabreed refinanced AED 1bn of existing corporate debt via a receivables-based contract financing whilst securing AED 500m of additional debt capacity in the process
- New financing provides greater financial flexibility as a result of lighter covenants and extended tenor at a similar cost of current corporate debt
- Sharia compliant loan funded by Abu Dhabi Islamic Bank, Abu Dhabi Commercial Bank, and Mashreq Al Islami
- Initial tenor of 10 years
- Reduces refinancing risk on corporate debt by removing AED 800m from the 2021 bullet

Tranche	Main purpose	Drawn Amount (AED m)	Undrawn Amount (AED m)	Maturity
Tranche 1	Refinance current debt	1,025	-	2027
Tranche 2	Current capex tranche – to fund ongoing investment	195	-	2027
Tranche 3	Future capex tranche – to fund future investments	-	293	2027
Total debt		**1,220**	**293**	

Debt position as at 30 June 2017

Borrower	Type	Drawn Amount (AED m)	Undrawn Amount (AED m)	Currency	Interest	Hedging (%)	Maturity
Tabreed	Term loan	1,680	-	AED	EIBOR + margin	98	2021
Tabreed	Revolver	155	295	AED	EIBOR + margin	-	2021
Tabreed	Islamic Financing*	1220	293	AED	EIBOR + margin	-	2027
Dubai Parks SPV	Project Finance	187	10	AED	EIBOR + margin	61	2032
ICT SPV	Project Finance	78	-	AED	EIBOR + margin	75	2031
Bahrain DC Company	Term loan	120	-	USD	LIBOR + margin	-	2019
Tabreed Oman	Term loan	61	7	OR	Fixed margin	100	2024
Total debt		**3,501**	**605**				

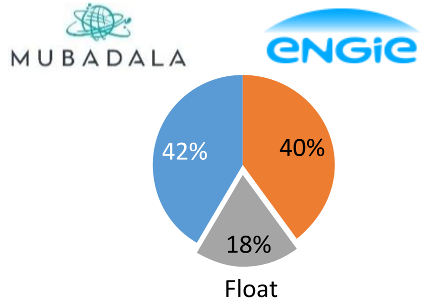
* This facility is expected to be hedged 60% by the end of the year

Agenda

ENGIE – global energy leader and now a strategic shareholder in Tabreed

The transaction

- Mubadala became the majority shareholder of Tabreed in 2011 after the recapitalization, investing AED 3.1bn in the company
- Tabreed has successfully completed its turn around into a profitable utility infrastructure business and is now well positioned for future growth
- Mubadala has agreed to sell 40% shares of its fully diluted shareholding in Tabreed to ENGIE at a value of AED 2.62 per share
- Tabreed Board has approved conversion of all MCBs to shares, which will result in issued share capital increasing to 2,715m shares



Tabreed's ownership after completion

Who is ENGIE?

- ENGIE is a global energy leader with over $30 billion market cap, over 155,000 employees and operations in 70 countries
- Headquartered in Paris, ENGIE key business ventures are in power, natural gas and energy services (including district cooling). They have a strong footprint in the region with over 30GW of electricity assets alone
- ENGIE is already a leader in district energy with operations in Europe and South East Asia

How it benefits Tabreed?

- Tabreed gains a global industry player as a key long term strategic shareholder
- Mubadala has reiterated its commitment to the company and remains the majority shareholder
- Conversion of MCBs leads to over AED 150m of cash flows savings by 2019 and a simplified capital structure
- Tabreed aims to leverage ENGIE's global business development and operations expertise to further accelerate growth and development

Next Steps

- Securities and Commodities Authority of UAE's (SCA) approval for the share conversion is being sought
- A general assembly will be called, after share allotment, to elect ENGIE representatives to the Board and consider other matters
- Expect to complete in Q3 2017

Unique GCC-wide infrastructure assets company

Why District Cooling	• District Cooling is a critical part of the growing GCC infrastructure • District Cooling is 50% more efficient in consuming electricity than conventional cooling reducing energy consumption, carbon footprint, and state subsidies while also being 16% cheaper for the customer
Why Tabreed	• One of the largest district cooling companies in the world with experienced management team • 18 year track record 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 for future growth
Robust Financial Results	• Sustainable, stable and predictable results, low operating risk business model with strong margins • Double digit growth in EBITDA and Net Income since 2012, driven by capacity additions and CPI pass through • Strong cash generating ability, EBTIDA growing at 6% annually
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 • De-risking projects by using “take or pay” fixed date contracts and ring-fenced project financing
Track record of delivering capacity growth	• 158kRT capacity added since H1 2014 • 60kRT of signed up capacity additions expected by 2018, 36kRT delivered in H1 2017 • Regional footprint allows access to varied growth opportunities • Operational track record, customer relationships and financial strength to benefit from growth in the region

Contact us

Saket Somani
Churchgate Partners

Tel: +971 4 3132432
Email: Tabreed@churchgatepartners.com

Richard Rose
VP – Finance

Tel: +971 2 2020400
Email: IR@tabreed.ae

Leila Al Marashi
VP – Corporate Communications

Tel: +971 2 2020399
Email: LAlmarashi@tabreed.ae

Management looks forward to engaging with shareholders and investors at the following events

Arqaam Investors conference, Abu Dhabi	18 – 19 September 2017
Third quarter earnings call	End of October 2017
EFG MENA & Frontier conference, London	6 – 9 November 2017
BAML MENA conference, Dubai	15 – 16 November 2017
Year end earnings call	End of January 2018