National Central Cooling Company PJSC

(DFM:TABREED)

H1 2018

Earnings Presentation

2 August 2018

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Agenda

1. Introduction and Performance Highlights
2. Financial Results
3. Conclusion

1. Introduction and Performance Highlights

Performance Highlights

Financial Highlights: H1 2018 vs. H1 2017

Total Revenue	Chilled Water	EBITDA	Net Income
AED 651m	AED 617m	AED 326m	AED 212m
+1.8%	+2.5%	+5.9%	+10.0%

Operational Highlights and Developments

Performance Highlights

- Chilled Water revenue growth at 2.5%; Chilled Water EBITDA up 6.3%
- Tabreed EBITDA increased by 5.9% to AED 326m and EBITDA margins increased from 48% to 50%
- Previously announced capacity guidance to add 65,000 RT over 2018 and 2019
- Over 20,000 RT added in Q2 2018 across the GCC

Other Developments

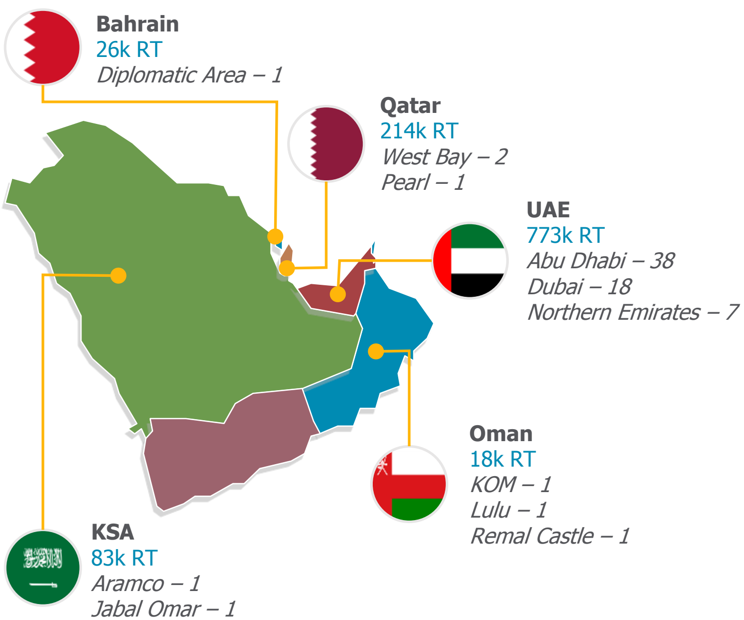
- IDB Infrastructure Fund II acquires a significant stake of Saudi Tabreed during Q2 2018
- Tabreed's holding in Saudi Tabreed decreased from 25% to 20%
- In Q1 2018, Tabreed acquired the remaining 50% stake in S&T from Aldar Properties

Continued strong revenues and profitability

Regional Presence

The only publicly listed district cooling company in the world

- 5 GCC countries | 72 plants | Over 1.1m 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

- 60 consolidated plants, 3 held through associates and joint ventures
- Plants in 6 emirates of the UAE - Abu Dhabi, Dubai, Ajman, RAK, Sharjah and Fujairah
- 773k 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 112k RT
- Also owns and operates 2 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. (51k 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%)

- Owns and operates 1 DC plant (26k 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 3 plants serving Knowledge Oasis Muscat, Oman Avenues Mall and Remal Castle

Landmark Projects: Knowledge Oasis Muscat and Oman Avenues Mall

Connected Capacity

- Previously announced capacity guidance of 65,000 RT to be added in 2018 and 2019
- Key additions during Q2 2018 include West Bay I (15,005 RT) and Jabal Omar (4,146 RT) under equity accounted entities
- 32,800 RT of S&T's capacity recorded as consolidated capacity from Q1 2018

Consolidated	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018
UAE	667	668	668	702 [1]	702
Bahrain	26	26	26	26	26
Oman	16	17	17	17	18
Total Consolidated	**709**	**711**	**712**	**745**	**746**

Equity Accounted	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018
UAE	103	103	103	71 [2]	71
Qatar	196	196	199	199	214
KSA	77	77	79	79	83
Total Equity Accounted	**375**	**375**	**381**	**349**	**368**

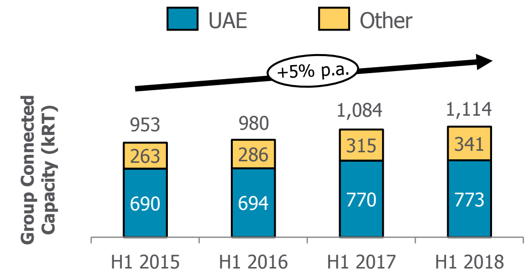
Total	**1,084**	**1,087**	**1,092**	**1,094**	**1,114**

Notes:
1 Includes 32.8k RT of S&T which is now consolidated
2 Includes 1.5k RT added during Q1 2018 and excludes 32.8k RT of S&T which is now consolidated

H1 2018 Headline Performance

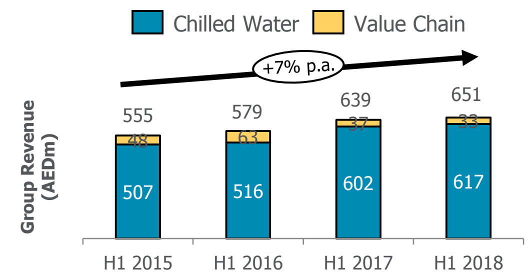
Long-term contracts with credit worthy customers

- Providing over 1.1m RT of cooling across GCC – growing 5% annually since 2015
- Long term contracts (~25 years) mean over 90% of contracted capacity locked in for at least the next 10 years
- Approaching 50% of UAE capacity contracted with Government customers



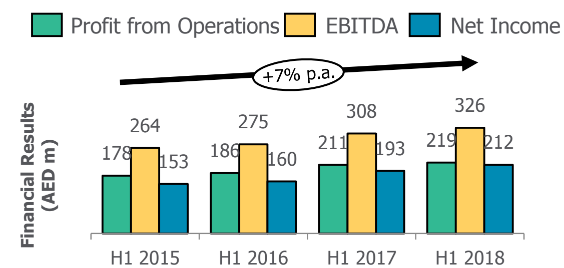
Revenue growth from existing and new business

- Group revenue growing at a 5% CAGR since 2015 driven by Chilled Water revenue growth of 7%
- Utility business model leads to steady increases in revenue and profitability from existing customers



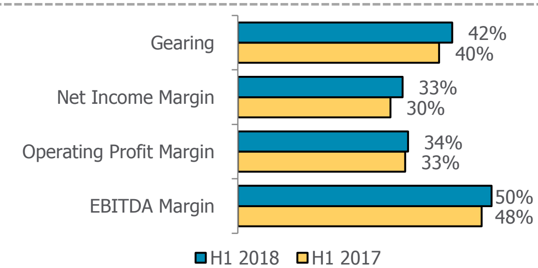
Solid financial performance

- Predictability in earnings driven by capacity charge
- Net income has grown 11% and EBITDA 7% annually since 2015



Value to shareholders

- EBITDA margin of ~50% and sustained over recent years
- Strong balance sheet
- Stable cash flow generation



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Sustainable Cooling

2. Financial Results

H1 2018 Income Statement

Consolidated Financials (AED m)	H1 2018	H1 2017	*Variance*	*%*
Revenue	651	639	*11*	*1.8%*
Chilled water revenue (95%)	*617*	*602*	*15*	*2.5%*
Value chain businesses (5%)	*33*	*37*	*(4)*	*-9.6%*
Operating cost	(329)	(327)	*(3)*	*0.8%*
Gross Profit	**321**	**313**	***9***	***2.8%***
Gross profit margin	*49%*	*49%*		
Administrative and other expenses	(102)	(101)	*(1)*	*1.3%*
Profit from Operations	**219**	**211**	***7***	***3.5%***
Operating profit margin	*34%*	*33%*		
Net finance costs	(86)	(82)	*(4)*	*5.5%*
Other gains and losses	34	1	*33*	-
Share of results of associates and joint ventures	46	62	*(16)*	*-26.3%*
Income attributable to non-controlling interests	(1)	(0)	*(0)*	-
Net Income	**212**	**193**	***19***	***10.0%***
Net Income margin	*33%*	*30%*		
EBITDA	**326**	**308**	***18***	***5.9%***
EBITDA margin	*50%*	*48%*		

Key Observations

- Increase in revenue mainly driven by S&T Cool 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 partial disposal of Saudi Tabreed
- Other gains represent AED 32.6 million on partial disposal of Saudi Tabreed
- Higher finance cost due to higher EIBOR and drawdown of revolving credit facility to fund S&T acquisition

Stable utility business model with EBITDA margins of ~50%

H1 2018 Financial Position

Consolidated Financials (AED m)	June 30, 2018	Dec 31, 2017	*Variance*	*%*
Fixed Assets	7,132	6,874	*258*	*3.7%*
Associates and Joint Ventures	563	826	*(263)*	*-31.9%*
Accounts Receivable	623	517	*106*	*20.5%*
Cash and Short Term Deposits	357	418	*(61)*	*-14.5%*
Other Assets	59	60	*(1)*	*-2.8%*
Total Assets	**8,733**	**8,696**	***37***	***0.4%***
Equity and Reserves	4,535	4,797	*(262)*	*-5.5%*
Debt	3,332	3,169	*163*	*5.1%*
Other Liabilities	867	730	*137*	*18.8%*
Total Liabilities and Equity	**8,733**	**8,696**	***37***	***0.4%***

Key Observations

- Increase in fixed assets primarily reflects consolidation of S&T
- Decrease in Associates and Joint Ventures reflects IFRS 15 adjustment for an Associate and transfer of S&T to consolidated subsidiary
- Increase in accounts receivables primarily due to short term timing delays in customer collections
- Reduction in Equity & Reserves due to 2017 dividend and effect of the implementation of IFRS 9 and IFRS 15
- Increase in debt is mainly driven by higher drawdown of revolving credit facility to fund S&T acquisition

Robust Balance Sheet optimally positions Tabreed to capitalize on future growth opportunities

H1 2018 Cash Flow Statement

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Consolidated Financials (AED m)	H1 2018	H1 2017	*Variance*	*%*
Profit from Operations	**219**	**211**	***8***	*3.5%*
Finance lease amortization	33	28	*5*	*18.5%*
Depreciation	74	69	*5*	*7.9%*
Working Capital and Other adjustments	(45)	(25)	*(20)*	*77.7%*
Net cash flows from Operating Activities	**281**	**283**	***(2)***	***-0.5%***
Capital expenditure incurred	(41)	(154)	*113*	*-73.5%*
Acquisition of additional share in a subsidiary	(5)	-	*(5)*	-
Dividends and interest income received	54	54	*0*	*1.1%*
Proceeds from sale of stake in Saudi Tabreed	40	-	*40*	-
Acquisition of S&T	(252)	-	*(252)*	-
Net cash flows from Investing Activities	**(203)**	**(101)**	***(102)***	***101.8%***
Loans drawn down and principal repayments (net)	154	214	*(60)*	*-27.9%*
Interest payments	(72)	(69)	*(3)*	*4.1%*
MCB cash coupon paid	-	(22)	*22*	*-100.0%*
Others	(222)	(195)	*(27)*	*13.4%*
Net cash flows from Financing Activities	**(139)**	**(72)**	***(67)***	***93.1%***
Net Movement in Cash and Cash Equivalents	**(61)**	**110**	***(171)***	*-155.2%*
Cash and Cash Equivalents at the start of the period	418	390	*28*	*7.3%*
Cash and Cash Equivalents at 30 June	**357**	**500**	***(143)***	***-28.5%***

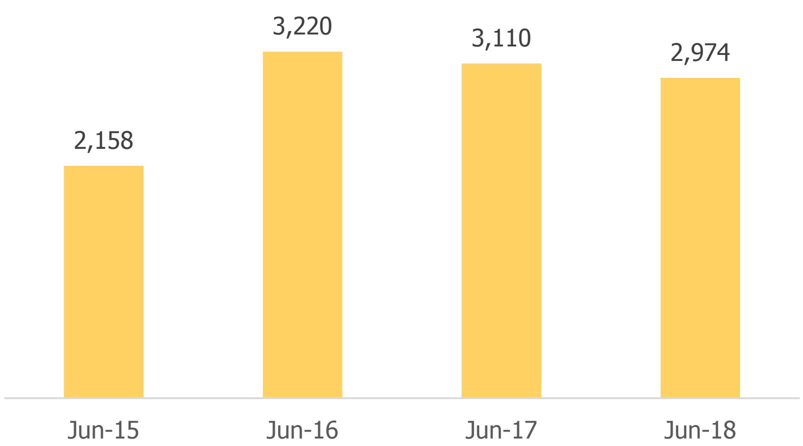
Key Observations

- Operating cash flows was AED 280m in 1H 2018 – in line with 1H 2017
- Investing cash flows primarily reflect acquisition of S&T
- Financing cash flows mainly include debt service and dividend payments in partly offset by additional drawdown of revolving credit facilities

Strong cash flow generation from long term price certain contracts

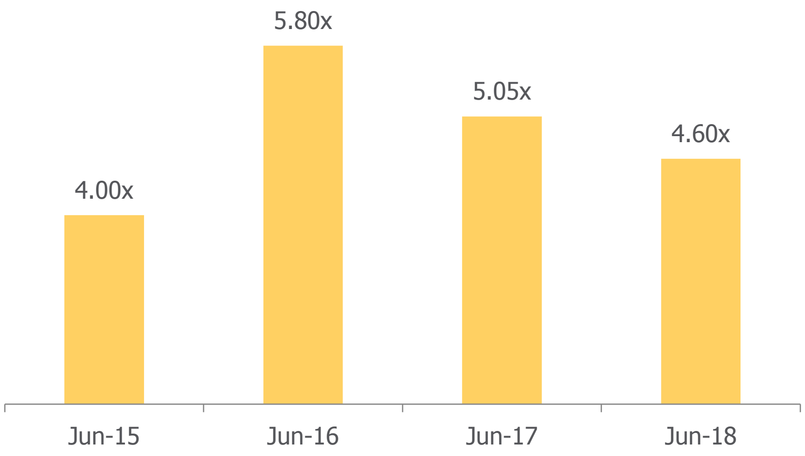
Debt Portfolio

Net Debt Profile (AED m)

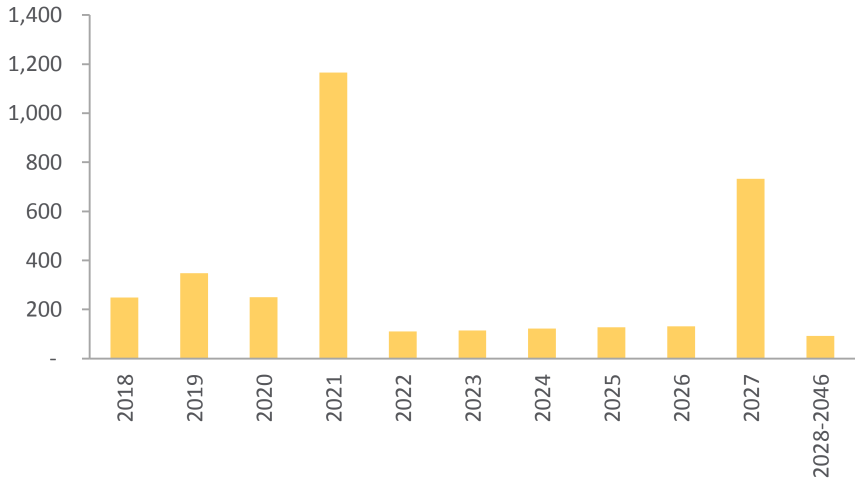


- Conservative leverage profile with current gearing of 42% (debt to debt + equity)
- 95% of debt is denominated in AED, with the balance in USD and OMR, in line with cash flow generation profile
- Target hedging range of 50-75%
  - Currently 57% of the total debt is hedged into fixed rate

Net Debt to LTM EBITDA (x)



Debt Maturity Profile (AED m)



3. Conclusion

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 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 • 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 • Shari'a complaint status to Tabreed stock
Robust Financial Results	• Sustainable, stable and predictable results, low operating risk business model with strong margins • Net income has grown 11% and EBITDA by 7% annually since 2015, driven by capacity additions and CPI pass through • Stable utility infrastructure business model enables consistent YTD performance with ~50% EBITDA margins
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	• 161k RT capacity added since 2015 • 65k RT of signed up capacity additions expected by the end of 2019, 21.6k RT delivered in H1 2018 • 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

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

8th Annual EFG Hermes London Conference	10 – 13 September, 2018
5th Arqaam Capital MENA Investors Conference	24 – 25 September, 2018
Third quarter earnings call	End of October 2018
Fourth quarter earnings call	End of January 2019