



National Central Cooling Company PJSC

**REVIEW REPORT AND INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE MONTH PERIOD ENDED
31 MARCH 2025**



NATIONAL CENTRAL COOLING COMPANY PJSC
Interim condensed consolidated financial statements
For the three month period ended 31 March 2025

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF NATIONAL CENTRAL COOLING COMPANY PJSC

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of National Central Cooling Company PJSC (the “Company”) and its subsidiaries (together referred to as the “Group”) as at 31 March 2025, comprising of the interim consolidated statement of financial position as at 31 March 2025, and the related interim consolidated statements of profit or loss, comprehensive income, changes in equity and cashflows for the three month period then ended and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard (IAS) 34 “*Interim Financial Reporting*”. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects in accordance with IAS 34, “*Interim Financial Reporting*”.

For Ernst & Young



Ahmad Al Dali
Registration No. 5548

13 May 2025
Abu Dhabi, United Arab Emirates

NATIONAL CENTRAL COOLING COMPANY PJSC
Interim consolidated statement of profit or loss (unaudited)
For the three month period ended 31 March 2025

	Notes	Three months ended 31 March	
		2025 AED'000	2024 AED'000
Revenue	5	465,909	468,104
Direct costs		<u>(230,506)</u>	<u>(229,634)</u>
Gross profit		235,403	238,470
Administrative and other expenses		<u>(74,616)</u>	<u>(76,435)</u>
Operating profit		160,787	162,035
Finance costs	15	(47,329)	(60,457)
Finance income		10,589	20,980
Other income, net		507	553
Share of results of associates and joint ventures, net		<u>8,064</u>	<u>6,240</u>
Profit before tax		132,618	129,351
Income tax expense	16	<u>(11,108)</u>	<u>(10,040)</u>
Profit for the period		121,510	119,311
Attributable to:			
Equity holders of the Company		115,432	112,133
Non-controlling interest		<u>6,078</u>	<u>7,178</u>
		121,510	119,311
Basic and diluted earnings per share attributable to ordinary equity holders of the Company (AED)	7	<u>0.041</u>	<u>0.039</u>

The attached notes 1 to 24 form part of the interim condensed consolidated financial statements.

NATIONAL CENTRAL COOLING COMPANY PJSC
Interim consolidated statement of comprehensive income (unaudited)
For the three month period ended 31 March 2025

	Three months ended 31 March	
	2025	2024
	AED'000	AED'000
Profit for the period	121,510	119,311
<i>Other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods, net of tax</i>		
Exchange difference on translation of foreign operations	(1,644)	(2,842)
Net movement in fair value of derivatives in cash flow hedges	(23,384)	(16,097)
Share of changes in fair value of derivatives of an associate and a joint venture in cash flow hedges	(3,223)	14,484
<i>Other comprehensive loss that may be reclassified to profit or loss in subsequent periods, net of tax</i>	(28,251)	(4,455)
Total comprehensive income, net of tax	93,259	114,856
Attributable to:		
Equity holders of the Company	87,181	107,678
Non-controlling interest	6,078	7,178
	93,259	114,856

The attached notes 1 to 24 form part of the interim condensed consolidated financial statements.

NATIONAL CENTRAL COOLING COMPANY PJSC
Interim consolidated statement of financial position
As at 31 March 2025

		31 March 2025 (Unaudited) AED '000	31 December 2024 (Audited) AED '000
ASSETS	Notes		
Non-current assets			
Property, plant and equipment	8	4,394,465	4,449,578
Capital work in progress		351,128	306,576
Right-of-use assets		245,012	252,936
Intangible assets		3,954,106	3,981,139
Investments in associates and joint ventures		625,770	622,420
Finance lease receivables	9	2,412,137	2,444,732
Long term deposits	10	9,538	9,538
		<u>11,992,156</u>	<u>12,066,919</u>
Current assets			
Inventories		77,552	74,195
Trade and other receivables		588,380	615,207
Finance lease receivables	9	341,440	338,440
Cash and bank balances	11	1,168,320	1,022,776
		<u>2,175,692</u>	<u>2,050,618</u>
Total assets		<u>14,167,848</u>	<u>14,117,537</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		2,845,271	2,845,271
Treasury shares		(3,314)	(3,314)
Statutory reserve		625,728	625,728
Retained earnings		2,505,863	2,831,012
Foreign currency translation reserve		(2,009)	(365)
Cash flow hedge reserve		18,618	45,225
Equity attributable to the equity holders of the Company		<u>5,990,157</u>	<u>6,343,557</u>
Non-controlling interests		600,391	618,313
Total equity		<u>6,590,548</u>	<u>6,961,870</u>
Liabilities			
Non-current liabilities			
Trade and other payables		331,142	331,580
Interest bearing loans and borrowings	12	130,883	133,380
Non-convertible bonds and sukuk	14	4,384,804	1,824,082
Deferred tax liabilities	16	357,217	360,941
Lease liabilities		130,912	139,944
Employees' end of service benefits		51,055	50,179
		<u>5,386,013</u>	<u>2,840,106</u>
Current liabilities			
Trade and other payables		670,198	701,373
Dividend payable	19	440,581	-
Income tax payable	16	77,167	63,912
Interest bearing loans and borrowings	12	16,062	1,911,230
Islamic financing arrangement	13	-	640,666
Lease liabilities		51,465	51,914
Non-convertible bonds and sukuk	14	935,814	946,466
		<u>2,191,287</u>	<u>4,315,561</u>
Total liabilities		<u>7,577,300</u>	<u>7,155,667</u>
Total equity and liabilities		<u>14,167,848</u>	<u>14,117,537</u>



Dr. Bakheet Al Katheeri
Chairman



Khalid Abdulla Al Marzooqi
Chief Executive Officer



Adel Al Waleed
Chief Financial Officer

The attached notes 1 to 24 form part of the interim condensed consolidated financial statements.



NATIONAL CENTRAL COOLING COMPANY PJSC
Interim consolidated statement of changes in equity/
For the three month period ended 31 March 2025

	Attributable to equity holders of the Company						Non – controlling interests AED'000	Total equity AED'000
	Share capital AED'000	Treasury shares AED'000	Statutory reserve AED'000	Retained earnings AED'000	Foreign currency translation reserve AED'000	Cash flow hedge reserve AED'000		
As at 1 January 2024 (audited)	2,845,261	(3,296)	565,453	2,762,076	1,932	146,101	625,715	6,943,242
Profit for the period	-	-	-	112,133	-	-	7,178	119,311
Other comprehensive income for the period	-	-	-	-	(2,842)	(1,613)	-	(4,455)
Total comprehensive income for the period	-	-	-	112,133	(2,842)	(1,613)	7,178	114,856
Dividends (note 19)	-	-	-	(441,016)	-	-	-	(441,016)
Dividend to non-controlling interests	-	-	-	-	-	-	(25,739)	(25,739)
As at 31 March 2024 (unaudited)	2,845,261	(3,296)	565,453	2,433,193	(910)	144,488	607,154	6,591,343
As at 1 January 2025 (audited)	2,845,271	(3,314)	625,728	2,831,012	(365)	45,225	618,313	6,961,870
Profit for the period	-	-	-	115,432	-	-	6,078	121,510
Other comprehensive income for the period	-	-	-	-	(1,644)	(26,607)	-	(28,251)
Total comprehensive income for the period	-	-	-	115,432	(1,644)	(26,607)	6,078	93,259
Repayment of shareholder contribution to non-controlling interest	-	-	-	-	-	-	(24,000)	(24,000)
Dividends (note 19)	-	-	-	(440,581)	-	-	-	(440,581)
As at 31 March 2025 (unaudited)	2,845,271	(3,314)	625,728	2,505,863	(2,009)	18,618	600,391	6,590,548

The attached notes 1 to 24 form part of the interim condensed consolidated financial statements.

NATIONAL CENTRAL COOLING COMPANY PJSC
Interim consolidated statement of cash flows (unaudited)
For the three month period ended 31 March 2025

	Notes	Three months ended 31 March	
		2025 AED'000	2024 AED'000
Operating activities			
Profit before tax		132,618	129,351
Non-cash adjustments:			
Depreciation of property, plant and equipment	8	57,326	49,783
Depreciation of right-of-use assets		8,027	7,267
Amortization of intangible assets		27,033	25,822
Finance lease income	9	(58,730)	(60,033)
Share of results of associates and joint ventures		(8,064)	(6,240)
Provision for employees' end of service benefits		1,518	1,445
Finance income		(10,589)	(20,980)
Finance costs	15	47,329	60,457
Other income and charges		(507)	(553)
Operating cash flows before changes in working capital		195,961	186,319
Working capital changes:			
Inventories		(3,357)	(984)
Trade and other receivables		33,691	31,255
Trade and other payables		(106,665)	(60,199)
Cash generated from operations		119,630	156,391
Lease rentals received	9	88,325	87,326
Employees' end of service benefits paid		(642)	(64)
Net cash flows generated from operating activities		207,313	243,653
Investing activities			
Purchase of property, plant and equipment	8	(2,213)	(5,727)
Payments for capital work in progress		(22,979)	(50,820)
Finance income received		11,295	19,741
Net cash flows used in investing activities		(13,897)	(36,806)
Financing activities			
Interest bearing loans and borrowings repaid	12	(1,903,980)	(3,556)
Interest bearing loans and borrowings drawn	12	1,582	-
Proceeds from issuance of sukuk	14	2,570,750	-
Sukuk repurchased	14	(11,018)	(22,035)
Islamic financing arrangement repaid	13	(641,306)	-
Principal portion of lease payments		(9,584)	(15,542)
Finance costs paid		(30,316)	(16,861)
Repayment of shareholder contribution to non-controlling interest		(24,000)	-
Dividends paid to non-controlling interests		-	(25,739)
Net cash flows used in financing activities		(47,872)	(83,733)
Net increase in cash and cash equivalents		145,544	123,114
Cash and cash equivalents at 1 January		1,022,776	1,509,804
Cash and cash equivalents at 31 March	11	1,168,320	1,632,918

The attached notes 1 to 24 form part of the interim condensed consolidated financial statements.

NATIONAL CENTRAL COOLING COMPANY PJSC
Notes to the interim condensed consolidated financial statements
31 March 2025 (unaudited)

1 GENERAL INFORMATION

National Central Cooling Company PJSC ("Tabreed" or the "Company") is registered in the United Arab Emirates as a Public Joint Stock Company pursuant to the UAE Federal Law No. (32) of 2021 and is listed on the Dubai Financial Market. The Company's registered office is located at P.O. Box 32444, Dubai, United Arab Emirates.

These interim condensed consolidated financial statements include the results of operations and financial position of the Company and its subsidiaries (together referred to as the "Group").

The principal activities of the Group are supply of chilled water, operation and maintenance of plants, construction of secondary networks, manufacturing of pre-insulated pipes and design and supervision consultancy.

The Group's non-convertible bonds and sukuk are listed on the London Stock Exchange (note 14).

2 BASIS OF PREPARATION

2.1 Statement of compliance

The interim condensed consolidated financial statements of the Group are prepared in accordance with International Accounting Standard (IAS) 34 "*Interim Financial Reporting*".

The interim condensed consolidated financial statements are prepared under the historical cost basis, except for derivative financial instruments which are measured at fair value.

The interim condensed consolidated financial statements have been presented in United Arab Emirates Dirham (AED), which is the reporting currency of the Group and the functional currency of the Company. All values are rounded to the nearest thousand (AED '000) except otherwise indicated.

The interim condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024. In addition, results for the three month period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

2.2 Basis for consolidation

The interim condensed consolidated financial statements of the Group comprise the financial information of the Company and its subsidiaries.

Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

NATIONAL CENTRAL COOLING COMPANY PJSC
Notes to the interim condensed consolidated financial statements
31 March 2025 (unaudited)

2 BASIS OF PREPARATION (continued)

2.2 Basis for consolidation (continued)

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the interim condensed consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

NATIONAL CENTRAL COOLING COMPANY PJSC
Notes to the interim condensed consolidated financial statements
31 March 2025 (unaudited)

2 BASIS OF PREPARATION (continued)

2.2 Basis for consolidation (continued)

Details of the Company's subsidiaries as at 31 March 2025 and 31 December 2024 were as follows:

Chilled water segment	Country of incorporation	Percentage of holding		Principal activities
		2025	2024	
National Central Cooling Company	UAE	100	100	Sale of chilled water
Ras Al Khaimah LLC				
Summit District Cooling LLC	UAE	100	100	Sale of chilled water
Bahrain District Cooling Company BSC (C)	Bahrain	99.8	99.8	Sale of chilled water
Tabreed Oman SAOC	Oman	60.5	60.5	Sale of chilled water
Prime District Cooling LLC	UAE	75	75	Sale of chilled water
S&T Cool District Cooling Company - Sole Proprietorship LLC	UAE	100	100	Sale of chilled water
Tabreed Amaravati District Cooling Private Limited	India	75	75	Sale of chilled water
Tabreed Capital Med for Infrastructure and Central Cooling Services LLD	Egypt	100	100	Sale of chilled water
Kattameya D5 Infrastructure and Central Cooling Services LLD	Egypt	60	60	Sale of chilled water
Tabreed Al Mouj SPC	Oman	61	61	Sale of chilled water
Downtown DCP LLC	UAE	80	80	Sale of chilled water
Tabreed Sustainable City Limited	UAE	100	100	Sale of chilled water
Saadiyat District Cooling LLC	UAE	100	100	Sale of chilled water
Saadiyat Cooling LLC	UAE	100	100	Sale of chilled water
Al Wajeez Development Company PJSC	UAE	100	100	Sale of chilled water

NATIONAL CENTRAL COOLING COMPANY PJSC
Notes to the interim condensed consolidated financial statements
31 March 2025 (unaudited)

2 BASIS OF PREPARATION (continued)

2.2 Basis for consolidation (continued)

Value chain business segment:	Country of incorporation	Percentage of holding		Principal activities
		2025	2024	
Gulf Energy System Company LLC	UAE	100	100	Construction of secondary networks
Tabreed Operation & Maintenance Zones Cooling Stations Company LLC	UAE	100	100	Operation and maintenance of plants
Emirates Preinsulated Pipes Industries LLC	UAE	65.2	65.2	Manufacturing of pre-insulated pipes
CoolTech Energy Water Treatment LLC	UAE	100	100	Water treatment services and sale chilled water related products
Sahara Cooling and Air-Conditioning LLC	UAE	51	51	Supervision services
Tasleem Metering and Payment – Collection Sole Proprietorship LLC	UAE	100	100	Billing and collection of chilled water charges
Cooltech Water Treatment LLC	UAE	100	100	Water treatment services and sale chilled water related
Cooltech Water Service L.L.C.	UAE	100	100	Water treatment services and sale chilled water related
Tabreed Energy Service L.L.C.	UAE	100	100	Building energy efficiency service

NATIONAL CENTRAL COOLING COMPANY PJSC
Notes to the interim condensed consolidated financial statements
31 March 2025 (unaudited)

2 BASIS OF PREPARATION (continued)

2.2 Basis for consolidation (continued)

Others – Unallocated:	Country of incorporation	Percentage of holding		Principal activities
		2025	2024	
Tabreed Holdings WLL	Bahrain	100	100	Holding company
Tabreed Al Maryah District Cooling Investment LLC	UAE	100	100	Holding company
District Utilities Energy Investments L.LC	UAE	100	100	Holding company
Tabreed Energy Investments owned by National Central Cooling PSC – One Person Company LLC	UAE	100	100	Holding company
Tabreed Utilities & Metering Energy Investment LLC	UAE	100	100	Holding company
Central Utilities & Metering Energy Investment LLC	UAE	100	100	Holding company
Tabreed India Private Limited	India	75	75	Holding company
Tabreed Infopark Cooling Private Limited	India	75	75	Holding company
Tabreed Asia Central Cooling Company PTE LTD	Singapore	75	75	Holding company
Tabreed Company for Infrastructure and Central Cooling Services LLC (Tabreed Misr)	Egypt	100	100	Holding company

NATIONAL CENTRAL COOLING COMPANY PJSC
Notes to the interim condensed consolidated financial statements
31 March 2025 (unaudited)

3 MATERIAL ACCOUNTING POLICY INFORMATION

3.1 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2025, but do not have an impact on the interim condensed consolidated financial statements of the Group.

- Lack of exchangeability - Amendments to IAS 21

These amendments had no impact on the interim condensed consolidated financial statements of the Group.

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applied starting the year ended 31 December 2024. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2024.

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions the Group operates in. The legislation became effective for the Group's financial year beginning 1 January 2025. The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited jurisdictions where the legislation has not been enacted or substantively enacted. The Group is in the process of assessing its exposure to the Pillar Two legislation and does not expect a material exposure to Pillar Two income taxes in those jurisdictions.

IAS 12 is amended to add the exception to recognizing and disclosing information about deferred tax assets and liabilities that are related to tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Co-operating and Development (the "Pillar Two legislation"). It is unclear if the Pillar Two Model Rules create additional temporary differences with regards to deferred tax remeasurement and the Group has applied the temporary exception as at 31 March 2025.

NATIONAL CENTRAL COOLING COMPANY PJSC
Notes to the interim condensed consolidated financial statements
31 March 2025 (unaudited)

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of interim condensed consolidated financial statement requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2024.

5 REVENUE

	Three month period ended 31 March (unaudited)	
	2025	2024
	AED'000	AED'000
Revenue from supply of chilled water	445,692	448,093
Revenue from value chain	20,217	20,011
	465,909	468,104
Timing of revenue recognition:		
At a point in time	10,104	8,849
Over time	455,805	459,255
	465,909	468,104
Geographical location:		
Within the UAE	441,037	444,974
Outside the UAE	24,872	23,130
	465,909	468,104

6 SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on the products and services. The two reportable operating segments are as follows:

- The **Chilled Water** segment constructs, owns, assembles, installs, operates and maintains cooling and conditioning systems. In addition, the segment distributes and sells chilled water for use in district cooling systems.
- The **Value Chain Business** segment is engaged in various ancillary activities relating to the Group's chilled water business. These services consist of manufacturing of pre-insulated systems of pipes and fittings for applications involving the transport and distribution of hot and cold fluids, design and supervision of mechanical and electrical systems and its installations in buildings and specialized facilities.

Segment performance is evaluated based on operating profit or loss and is measured consistently with the Group's operating profit or loss in the interim condensed consolidated financial statements.

NATIONAL CENTRAL COOLING COMPANY PJSC
Notes to the interim condensed consolidated financial statements
31 March 2025 (unaudited)

6 SEGMENT INFORMATION (continued)

	Three month period ended 31 March 2025 (unaudited)				Three month period ended 31 March 2024 (unaudited)			
	Chilled water AED'000	Value chain business AED'000	Eliminations AED'000	Total AED'000	Chilled water AED'000	Value chain business AED'000	Eliminations AED'000	Total AED'000
Revenue								
External revenue	445,692	20,217	-	465,909	448,093	20,011	-	468,104
Inter-segment revenue	-	9,911	(9,911)	-	-	8,234	(8,234)	-
Total revenue	445,692	30,128	(9,911)	465,909	448,093	28,245	(8,234)	468,104
Direct costs	(218,616)	(15,659)	3,769	(230,506)	(217,298)	(15,155)	2,819	(229,634)
Gross profit	227,076	14,469	(6,142)	235,403	230,795	13,090	(5,415)	238,470
Administrative and other expenses	(70,097)	(9,173)	4,654	(74,616)	(71,511)	(8,888)	3,964	(76,435)
Operating profit	156,979	5,296	(1,488)	160,787	159,284	4,202	(1,451)	162,035
Finance costs	(46,937)	(392)	-	(47,329)	(60,175)	(282)	-	(60,457)
Finance income	10,572	17	-	10,589	20,967	13	-	20,980
Other income, net	507	-	-	507	553	-	-	553
Share of results of associates and joint ventures, net	8,064	-	-	8,064	6,240	-	-	6,240
Profit before tax for the period	129,185	4,921	(1,488)	132,618	126,869	3,933	(1,451)	129,351

Inter-segment revenues and expenses are eliminated on consolidation.

	31 March 2025 (unaudited)			31 December 2024 (Audited)		
	Chilled water AED'000	Value chain business AED'000	Total AED'000	Chilled water AED'000	Value chain business AED'000	Total AED'000
Other segment assets	13,424,943	117,135	13,542,078	13,377,970	117,147	13,495,117
Investments in associates	525,966	-	525,966	523,839	-	523,839
Investments in joint ventures	99,804	-	99,804	98,581	-	98,581
Total assets	14,050,713	117,135	14,167,848	14,000,390	117,147	14,117,537
Segment liabilities	7,462,652	114,648	7,577,300	7,028,326	127,341	7,155,667
Total liabilities	7,462,652	114,648	7,577,300	7,028,326	127,341	7,155,667

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7 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit for the period attributed to the equity holders of the Company by the weighted average number of shares in issue throughout the period as follows:

	Three month period ended 31 March (unaudited)	
	2025	2024
Profit attributable to the equity holders of the Company (AED'000)	<u>115,432</u>	<u>112,133</u>
Weighted average number of shares (excluding treasury shares) outstanding during the period ('000)	<u>2,841,956</u>	<u>2,841,965</u>
Basic earnings per share (AED)	<u>0.041</u>	<u>0.039</u>

The Company does not have any instruments which would have a dilutive impact on earnings per share. Therefore, basic and diluted earnings per share are same for the period ended 31 March 2025 and 2024.

8 PROPERTY, PLANT AND EQUIPMENT

	31 March 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
At beginning of the period / year	4,449,578	4,471,687
Additions	2,213	20,263
Transfer from capital work in progress	-	160,293
Depreciation expense	<u>(57,326)</u>	<u>(202,665)</u>
At end of the period / year	<u>4,394,465</u>	<u>4,449,578</u>

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9 FINANCE LEASE RECEIVABLES

Movement in finance lease receivables during the period / year is as follows:

	31 March 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
At the beginning of the period / year	2,783,172	2,856,029
Finance lease income	52,078	213,198
Variable lease income (CPI indexation)	6,652	25,605
Total finance lease income	58,730	238,803
Additions	-	40,016
Lease rentals received	(88,325)	(351,676)
At the end of the period / year	2,753,577	2,783,172

Finance lease receivables are allocated in the interim consolidated statement of financial position as follows:

	31 March 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Current	341,440	338,440
Non-current	2,412,137	2,444,732
	2,753,577	2,783,172

10 LONG TERM DEPOSITS

Long term deposits consist of AED 9.5 million (31 December 2024: AED 9.5 million) held with various commercial banks by one of the Group's subsidiaries; with an original maturity of 5 years. These deposits bear interest rates between 4.5% to 5.25% per annum.

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11 CASH AND BANK BALANCES

Cash and bank balances at the end of the reporting period as shown in the interim consolidated statement of cash flows can be reconciled to the related items in the interim consolidated statement of financial position as follows:

	31 March 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Cash and bank balances	164,026	143,592
Bank deposits	1,004,294	879,184
Cash and cash equivalents	1,168,320	1,022,776

Geographical concentration of cash and bank balances is as follows:

	31 March 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Within the UAE	1,142,182	998,885
Outside the UAE	26,138	23,891
	1,168,320	1,022,776

12 INTEREST BEARING LOANS AND BORROWINGS

		31 March 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
	Effective interest rate %		
Term loan 1 *	SOFR + margin	-	1,895,761
Term loan 2	5.25%	40,009	41,207
Term loan 3	6.75%	7,403	7,400
Term loan 4	5.25%	42,888	44,174
Term loan 5	6.75%	8,768	7,178
Term loan 6	EIBOR + margin	47,877	48,890
		146,945	2,044,610

* The facility was settled in March 2025.

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12 INTEREST BEARING LOANS AND BORROWINGS (continued)

Interest bearing loans and borrowings are disclosed in the interim consolidated statement of financial position as follows:

	31 March 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Current	16,062	1,911,230
Non-current	130,883	133,380
	146,945	2,044,610

Movement in the interest-bearing loans and borrowing during the period / year is as follows:

	31 March 2025 AED '000 (Unaudited)	31 December 2024 AED '000 (Audited)
At the beginning of the period / year	2,044,610	2,037,952
Drawdown during the period / year	1,582	14,887
Repayments (including interest) during the period / year	(1,903,980)	(14,343)
Transaction cost – amortised / written off / reclassified	4,733	6,114
At the end of the period / year	146,945	2,044,610

The interest-bearing loans and borrowing include an amount of AED 0.7 million (31 December 2024: AED 5.3 million) of unamortised transaction cost.

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13 ISLAMIC FINANCING ARRANGEMENT

		31 March 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Islamic financing arrangement	SOFR + margin	-	640,666
		<u>-</u>	<u>640,666</u>

The facility was settled in March 2025.

Islamic financing arrangement are disclosed in the interim consolidated statement of financial position as follows:

	31 March 2025 AED '000 (Unaudited)	31 December 2024 AED '000 (Audited)
Current	-	640,666
Non-current	<u>-</u>	<u>-</u>
	<u>-</u>	<u>640,666</u>

Movement in the Islamic financing arrangement during the period / year is as follows:

	31 March 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
At the beginning of the period / year	640,666	638,135
Repayments during the period / year	(641,306)	-
Transaction cost – amortised / written off	640	2,531
At the end of the period / year	<u>-</u>	<u>640,666</u>

The Islamic financing arrangement include an amount of AED nil (31 December 2024: AED 0.6 million) of unamortised transaction cost.

14 NON-CONVERTIBLE BONDS AND SUKUK

	31 March 2025 AED '000 (Unaudited)	31 December 2024 AED '000 (Audited)
Non-convertible bonds (i)	1,825,143	1,824,082
Non-convertible sukuk (ii)	935,814	946,466
Green sukuk (iii)	<u>2,559,661</u>	<u>-</u>
	<u>5,320,618</u>	<u>2,770,548</u>

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14 NON-CONVERTIBLE BONDS AND SUKUK (continued)

(i) Non-convertible bonds

During the year 2020, the Group issued 7-year investment grade bonds of US\$ 500 million which are listed on the International Securities Market of London Stock Exchange. The bonds carry a coupon rate of 2.5% payable semi-annually. The bonds are repayable on 31 October 2027. The proceeds of the bonds were utilised to repay the previous term loan and to fund the future growth.

The bonds are stated net of discount and transaction costs incurred in connection with the bonds issuance, amounting to AED 11.4 million (2024: AED 12.4 million), which are amortised over the repayment period of the bonds using effective interest rate method.

(ii) Non-convertible sukuk

In 2018, the Group issued 7-year investment grade Islamic bonds (Sukuk) of US\$ 500 million which are listed on the International Securities Market of London Stock Exchange. The sukuk carries a profit rate of 5.5% payable semi-annually. The sukuk is repayable on 31 October 2025.

(iii) Green sukuk

During February 2025, the Group issued a non-convertible investment grade Islamic bond structured as Ijarah/ Murabaha, with a senior structured green certificate status to finance environmentally sustainable projects (Green Sukuk) of US\$ 700 million equivalent to AED 2,570.75 million which is listed on the International Securities Market of London Stock Exchange. The Sukuk carries a profit rate of 5.279% payable semi-annually, repayable on 5 March 2030.

All sukuk are stated net of transaction costs incurred in connection with the Sukuk arrangements, amounting to AED 12 million, which are amortised to the interim consolidated statement of profit or loss over the repayment period of the sukuk using effective interest rate method.

During the period 2025, Sukuk amounting to US\$ 3 million (2024: US\$ 6 million) were purchased as part of its liability management, with total buyback amounting to US\$ 245 million as at 31 March 2025 (31 March 2024: US\$ 39 million). The Management intends to hold these instruments without cancellation.

15 FINANCE COSTS

	Three month period ended 31 March (unaudited)	
	2025	2024
	AED'000	AED'000
Profit on sukuk	23,268	25,332
Interest on non-convertible bonds	11,488	11,488
Amortisation of transaction costs	4,984	4,115
Interest on interest bearing loans	3,524	12,523
Interest on lease liabilities	2,411	2,860
Profit on Islamic financing arrangement	708	3,408
Others	946	731
	47,329	60,457

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16 INCOME TAX

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed consolidated statement of profit or loss are:

	Three month period ended	
	31 March (unaudited)	
	2025	2024
	AED'000	AED'000
Interim consolidated statement of profit or loss:		
<i>Income tax:</i>		
Charge for the period	13,255	12,426
<i>Deferred Tax:</i>		
Deferred income tax benefit relating to temporary differences	(2,147)	(2,386)
Total income tax expenses reported	11,108	10,040
	31 March	31 December
	2025	2024
	AED'000	AED'000
	(Unaudited)	(Audited)
Deferred tax:		
Reconciliation of deferred tax (liabilities), net:		
As at 1 January	(360,941)	(358,795)
Tax income recognised in profit or loss during the period/ year	2,147	5,121
Tax income (expense) recognised in other comprehensive income during the period/ year	1,577	(1,536)
Other reclassifications	-	(5,731)
Balance at end of the period / year – (liabilities)	(357,217)	(360,941)
	31 March	31 December
	2025	2024
	AED'000	AED'000
	(Unaudited)	(Audited)
Income tax payable:		
During the period, the movement of provision for tax was as follows:		
At 1 January	63,912	-
Charge for the period / year	13,255	64,644
Transfers/reclass	-	(732)
Paid during the period/year	-	-
Balance at end of the period/year - (income tax payable)	77,167	63,912

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16 INCOME TAX (continued)

On 8 February 2025, The UAE Ministry of Finance has announced the issuance of Cabinet Decision No. 142 of 2024 on the introduction of the Top-up Tax for Multinational Enterprises, providing further details on the UAE Domestic Minimum Top-up Tax (UAE DMTT). The Group is currently not in scope of this legislation as its consolidated revenue does not exceed the €750 million threshold for any 2 out of the 4 preceding years.

17 COMMITMENTS AND CONTINGENCIES

Capital commitments

The authorised contractual commitments as at 31 March 2025, contracted but not provided for amounted to AED 245.3 million (2024: AED 219 million). The Group's share of authorised future capital expenditure of associates at 31 March 2025 amounted to AED 3.5 million (2024: AED 1.1 million).

Contingencies

	31 March 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Performance guarantees	66,237	66,596
Advance payment guarantees	633	791
Financial guarantees	8,406	8,905
	<u>75,276</u>	<u>76,292</u>

The Group's share of contingencies of associates and joint ventures as of 31 March 2025 amounted to AED 82.7 million (2024: AED 82.5 million) and AED nil (2024: AED nil), respectively. The Group expects no outflow of economic resources and accordingly no provision has been made in the Interim condensed consolidated financial statements.

18 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent associated companies, joint ventures, majority shareholder, directors, key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Transactions with related parties included in the interim consolidated statement of profit or loss are as follows:

	Three month ended			
	31 March 2025 (unaudited)		31 March 2024 (unaudited)	
	Revenue AED'000	Direct costs AED'000	Revenue AED'000	Direct costs AED'000
Associates & Joint Venture companies	3,732	15,280	2,333	15,116
Non-controlling interest shareholders	65,549	-	66,987	-

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18 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Balances with related parties included in the interim consolidated statement of financial position are as follows:

	31 March 2025 (unaudited)	
	Trade and other receivables AED'000	Trade and other payables AED'000
Associates & joint venture companies	8,009	31,882
Non-controlling interest shareholders	55,066	-
	63,075	31,882

	31 December 2024 (Audited)	
	Trade and other receivables AED'000	Trade and other payables AED'000
Associates & joint venture companies	10,183	28,719
Non-controlling interest shareholders	66,460	-
	76,643	28,719

Compensation of key management personnel

The remuneration of key management personnel during the period is as follows:

	Three month period ended 31 March	
	2025 AED'000 (Unaudited)	2024 AED'000 (Unaudited)
Short-term benefits	10,741	9,611
Long-term benefits	1,713	738
Employees' end of service benefits	36	35
	12,490	10,384
Number of key management personnel	6	6

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19 DIVIDENDS AND BOARD REMUNERATION

In 2025, the Board of Directors proposed the distribution of cash dividends of 15.5 fils per share in respect of the fiscal year ended 31 December 2024. The shareholders at the Annual General Assembly Meeting held on 25 March 2025 approved the dividend. Accordingly, dividend amounting to AED 441 million was paid on 17 April 2025. The dividend on treasury shares amounts to AED 0.4 million.

In 2024, the Board of Directors proposed the distribution of cash dividends of 15.5 fils per share in respect of the fiscal year ended 31 December 2023. The shareholders at the Annual General Assembly Meeting held on 19 March 2024 approved the dividend. Accordingly, dividend amounting to AED 441 million was paid on 16 April 2024.

Furthermore, the Board of Directors' remuneration of AED 8.6 million for the year ended 31 December 2024 was also approved at the Annual General Assembly Meeting held on 25 March 2025. Board remuneration of AED 8.6 million for the year ended 31 December 2023 was approved at the previous Annual General Assembly Meeting held on 19 March 2024.

20 SEASONALITY OF OPERATIONS

Interim results fluctuate due to the seasonal demands for chilled water, in line with the average temperatures in the region. Tabreed's operations generally produce higher revenues in the summer due to increased customer consumption, while certain expenses such as depreciation, interest and operating expenses remain more evenly distributed throughout the fiscal year. As a result, interim operational profits are not indicative of operational profits on an annual basis.

21 FAIR VALUE MEASUREMENT

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable and gives information about how the fair value of these financial assets are determined.

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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21 FAIR VALUE MEASUREMENT (continued)

The Group held the following financial instrument measured at fair value:

	Fair value as at					
	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
<i>Trade and other receivables</i>						
<i>Derivative financial assets</i>	(124)	50,152	Level 2	Significant observable inputs	None	Not applicable

There were no transfers between each of the levels during the period.

22 SUBSEQUENT EVENTS

No subsequent events have taken place after 31 March 2025 which may require disclosure or adjustment in these interim condensed consolidated financial statements.

23 COMPARATIVE INFORMATION

The comparative figures have been reclassified to conform to the current period presentation. Such reclassifications have no effect on the previously reported profit or retained earnings of the Group.

24 APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements of the Group were authorized for issuance by the Board of Directors on 13 May 2025.