National Central Cooling Company

Acquisition of PAL Cooling

30 June 2025

essential for progress

01

Transaction Overview

A transformational transaction for Tabreed

Overview	• Tabreed acquires **50% of PAL Cooling Holding** ("PAL"), a leading district cooling company in Abu Dhabi, strengthening our position as a national champion in the UAE district cooling sector • Acquisition as part of a **consortium with CVC DIF**, leading global infrastructure fund manager, acquiring the remaining 50% • Transformational transaction, significantly **enhancing our scale, diversification and growth pipeline,** and reinforcing our position as a **global leader in District Cooling sector**

Transaction Value & Funding	• Total **Enterprise Value** for the transaction is **AED 4.1 billion** (Equity Value of AED 3.8 billion)
	  • Acquisition to be funded by a mix of **equity** from both partners and **project financing debt** at BidCo level (non-recourse, not consolidated into Tabreed's financials)
	  • Tabreed's share of equity at **AED1.2bn will be funded by mix of debt** and **cash reserves,** expected to **maintain Investment Grade credit rating**

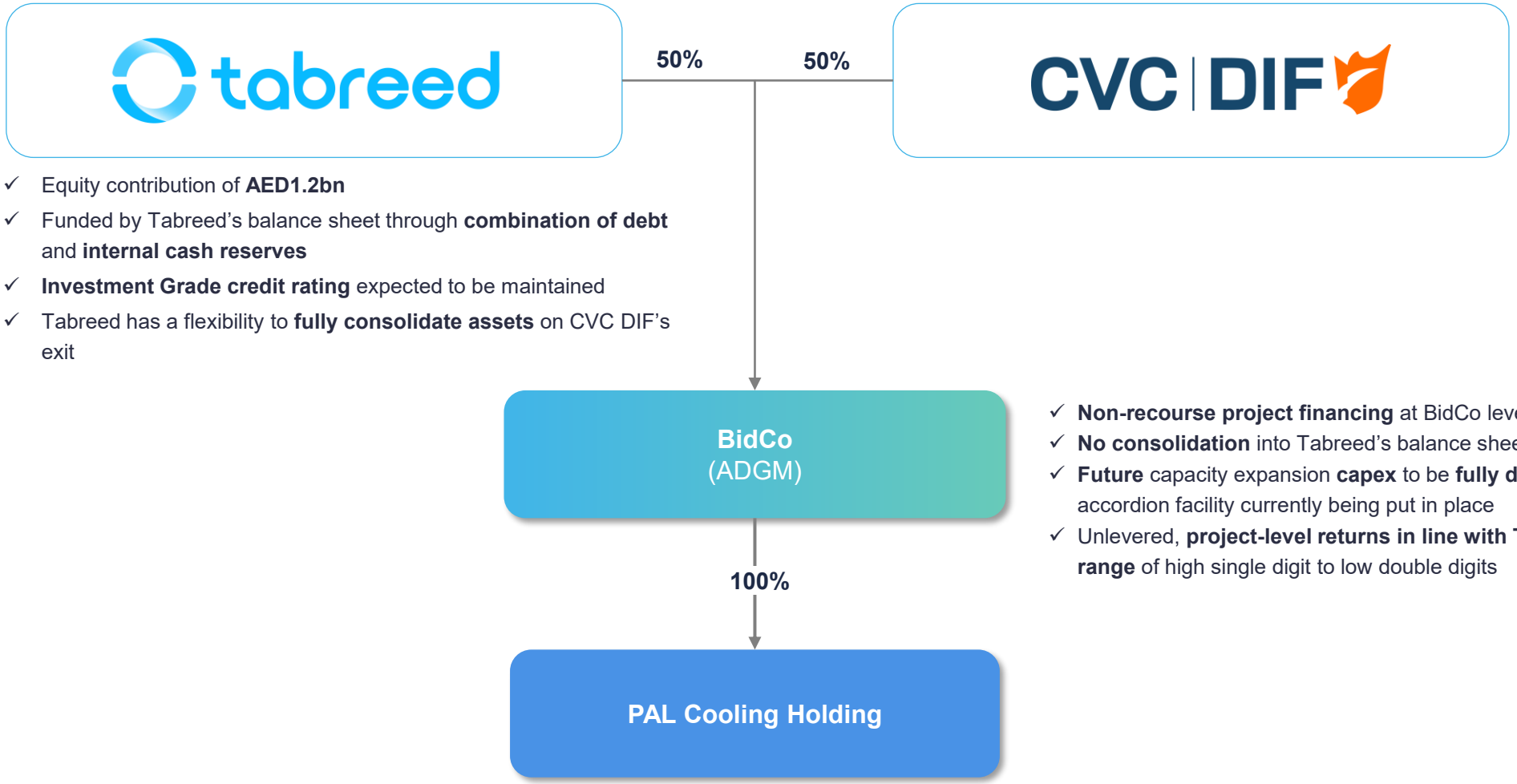
Why PAL?	• PAL is an established district cooling player in Abu Dhabi, operating **8 long-term concessions**, serviced through **5 plants**, with **182k Refrigerated Tons ("RT")** of connected capacity[1]
	  • PAL has **exclusive rights** to provide district cooling services within its concession areas to **highly creditworthy offtakers** with long tenor contracts of an **average remaining life of 25 years**
	  • Of the 8 concessions, **5 are on Al Reem Island**, a prime development area, now under ADGM, with strong catalysts for growth
	  • In addition to its current 5 district cooling plants, PAL has **1 plant under construction and 3 in planning stage**. The combined capacity of the **9 plants across the 8 concessions** is expected to reach **600k RT**[2]

Approvals	• The transaction remains **subject to customary regulatory approvals**

[1] As of 31 December 2024

[2] Expected maximum concession capacity based on current development plan

Transaction Structure Highlights



- ✓ Equity contribution of **AED1.2bn**
- ✓ Funded by Tabreed's balance sheet through **combination of debt** and **internal cash reserves**
- ✓ **Investment Grade credit rating** expected to be maintained
- ✓ Tabreed has a flexibility to **fully consolidate assets** on CVC DIF's exit

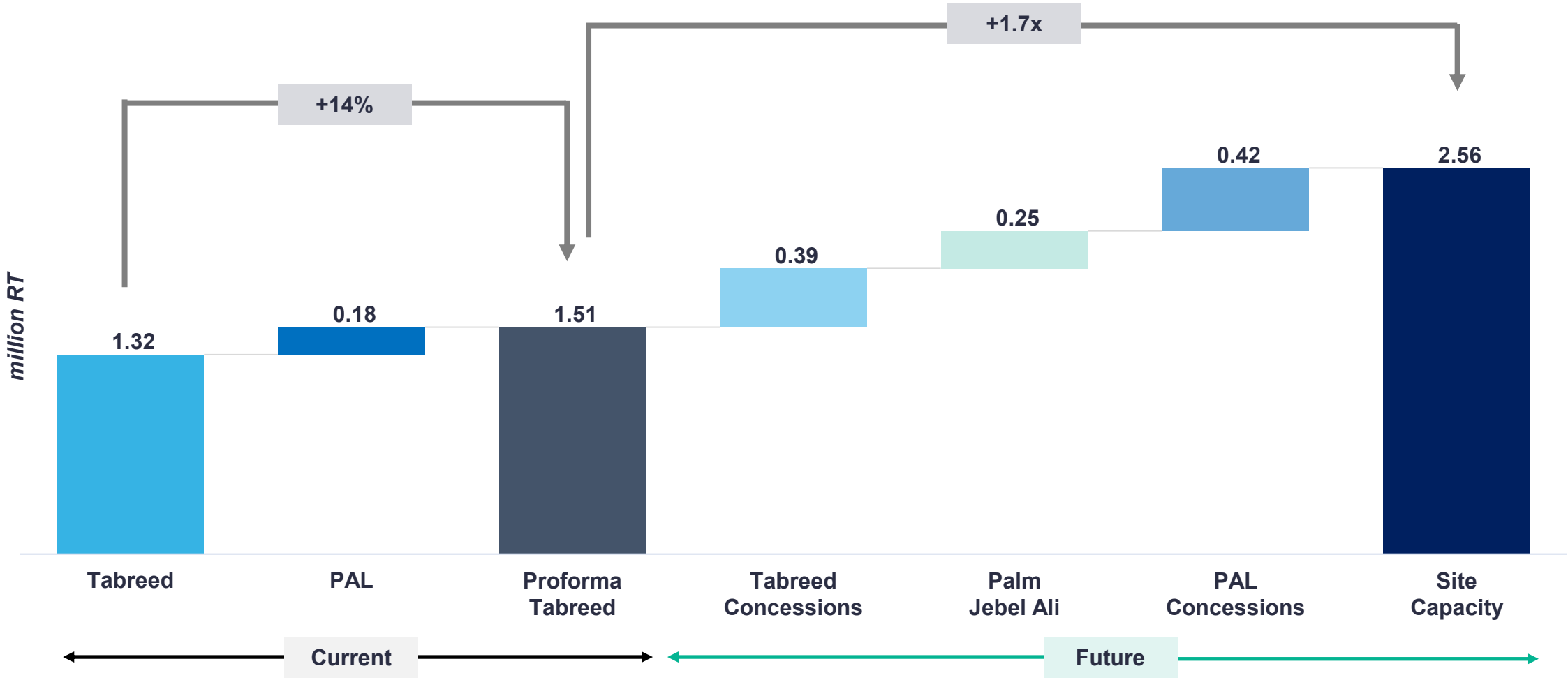
- ✓ **Non-recourse project financing** at BidCo level
- ✓ **No consolidation** into Tabreed's balance sheet
- ✓ **Future** capacity expansion **capex** to be **fully debt-funded** by accordion facility currently being put in place
- ✓ Unlevered, **project-level returns in line with Tabreed's target range** of high single digit to low double digits

Strategic Rationale

Increased Scale & Diversification	• Increases Tabreed's scale with pro-forma connected capacity[1] of **1.51 m RT** (+14%) • **Consolidates our leadership** position in Abu Dhabi • In-line with our ambitions of **targeting strategic, prime locations with high growth and densification potential** • Further diversifies our portfolio of blue-chip customers, **establishing relationship with Modon**, fast growing and leading real estate developer in Abu Dhabi
Enhanced Growth Pipeline	• Expands presence in **Al Reem Island**, a strategic location now under ADGM free zone, further enhanced by key infrastructure projects boosting **real estate demand** • Strengthens our position as a global leader in District Cooling with site capacity, including Palm Jebel Ali and PAL acquisition, of **2.56 m RT.** This provides us with **secured future capacity of over 1.0 m RT** or 80% of Tabreed's current connected capacity
Strong Synergy Potential	• **Inter-connections potential:** Tabreed has 1 concession in Al Reem island and 1 concession in the adjacent Al Maryah island. The acquisition of PAL allows us to leverage the PAL plant network for future connections in our concession areas with minimal capex outlay • Operation & Maintenance to be undertaken by Tabreed going forward • Gradual **integration of overlapping central functions** such as billing and collections etc.
De-risked Transaction Structure	• Preserves **investment grade** **credit rating** • Preserves **ability to** **distribute dividends** • Flexibility to **consolidate assets** in future upon CVC DIF's exit through a **call option** • Establish **partnership with blue-chip infra fund**, CVC DIF, and **attract Foreign Direct Investment** to the UAE

[1] Based on Tabreed and PAL capacity as of 31 December 2024

PAL acquisition provides significant uplift to our secured future capacity



Tabreed and PAL Current Capacity as of 31 December 2024;
Tabreed, Palm Jebel Ali and PAL Concession Capacity as of 31 March 2025 based on latest development plan from master developers

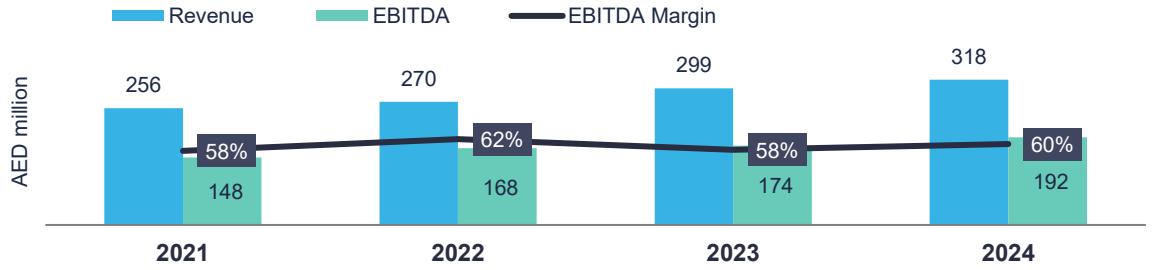
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PAL Cooling Overview

PAL Cooling Overview

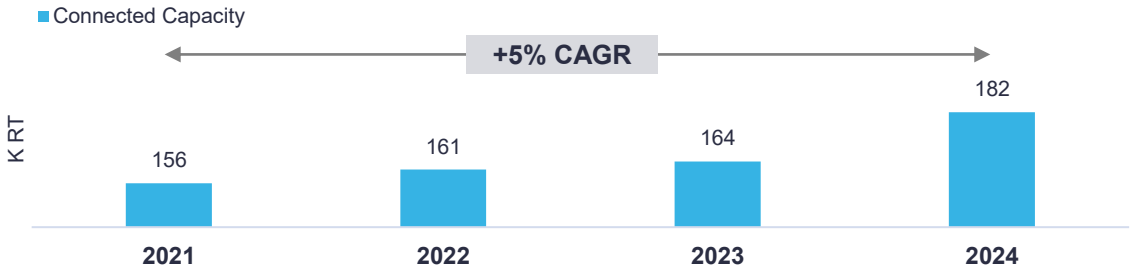
Business & Financial Highlights

- PAL operates **8 long-term concessions** in Abu Dhabi serviced by **5 operational plants** with **current connected capacity of 182k RT**. Additional **plant under construction and 3 in planning stage.** Combined capacity of the 9 plants expected to reach **600k RT in the long-term**
- Strong presence in **Al Reem Island, strategic location** in Abu Dhabi **with strong growth potential.** Represents c. 90% of PAL's future site capacity
- **Fixed capacity charges** linked to long-term contracts represent **60% of PAL's revenue**, providing high revenue visibility
- Long-term contracts with B2B business serving **blue-chip real estate developers** (e.g. Aldar Properties, Modon, Imkan), backed by strong shareholders. Weighted **average tenor** of remaining contract life by site capacity of **25 years**
- **Robust growth track record** over the past 3 years with **revenue CAGR of 7.5%** and **best-in class EBITDA margin of 60%** as of 2024



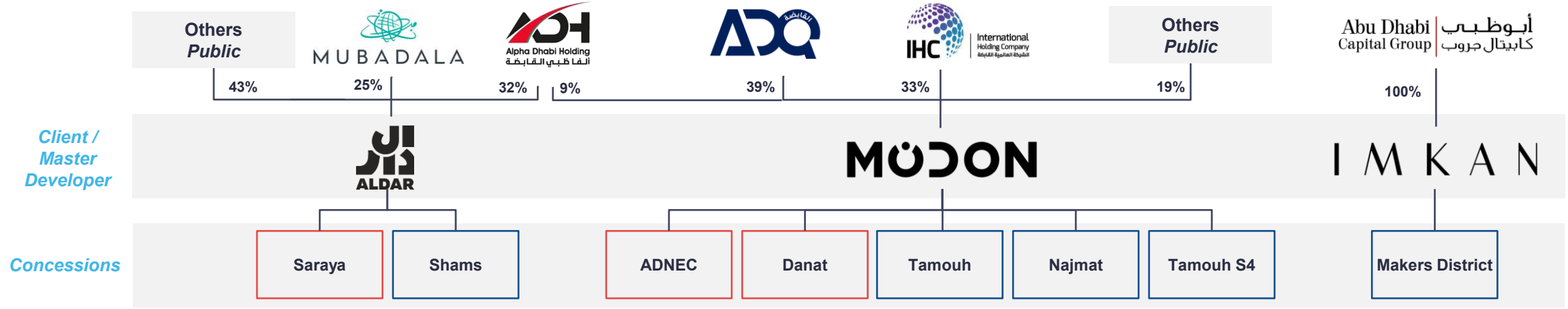
Concessions Overview

Location	Abu Dhabi Main Island	Al Reem Island
# of Concessions	3	5
# of Plants	3 (Operating)	2 (Operating) + 1 (Under Construction) + 3 (In Planning)
Connected Capacity	49 k RT	133 k RT
Site Capacity	93 k RT	506 k RT
Avg. Remaining Life	~20 years	~27 years



High revenue visibility from long-term contracts with blue-chip clients

Overview of Clients /Concession Granter



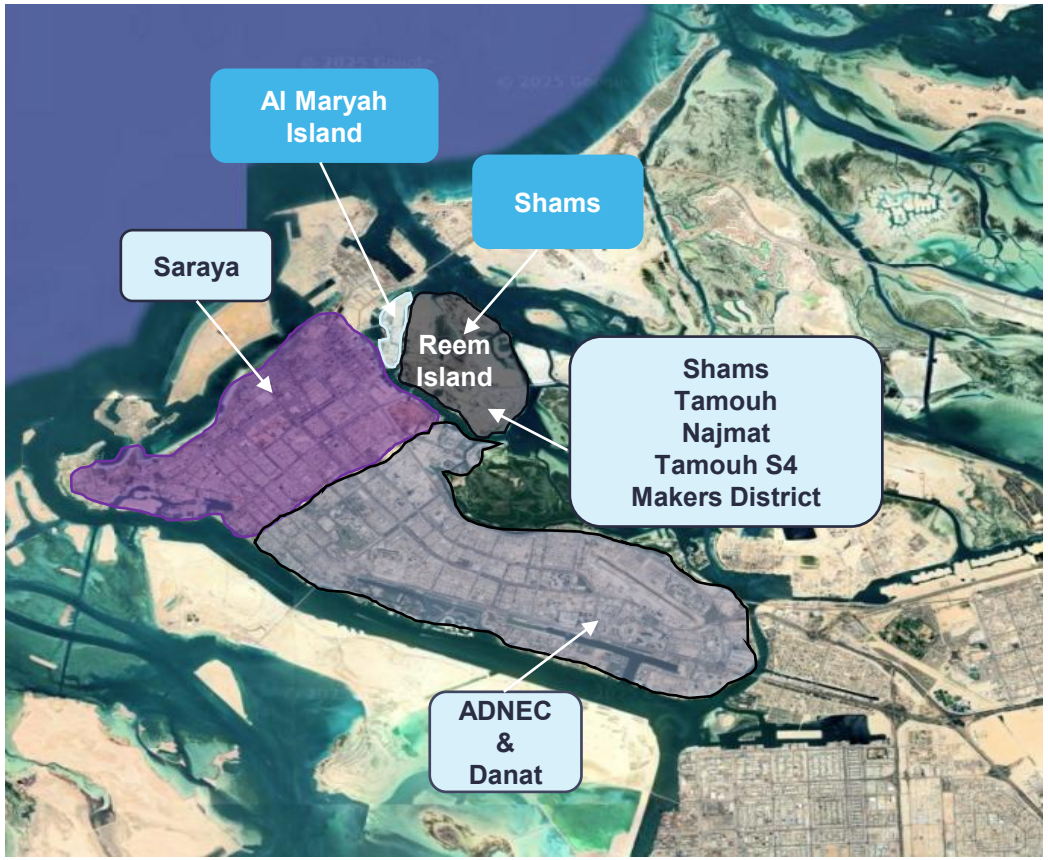
Secured Long Tenor Contracts With High Cash Flow Visibility

- Exclusive rights to provide district cooling within concession areas
- Long tenor offtake contracts with average remaining life of >25 years and additional renewal terms
- Take-or-pay based capacity payments with CPI escalation
- Pre-agreed termination payment regime

Abu Dhabi Main Island | Al Reem Island

Deep Dive on Al Reem Island

PAL + Tabreed's Selected Concessions

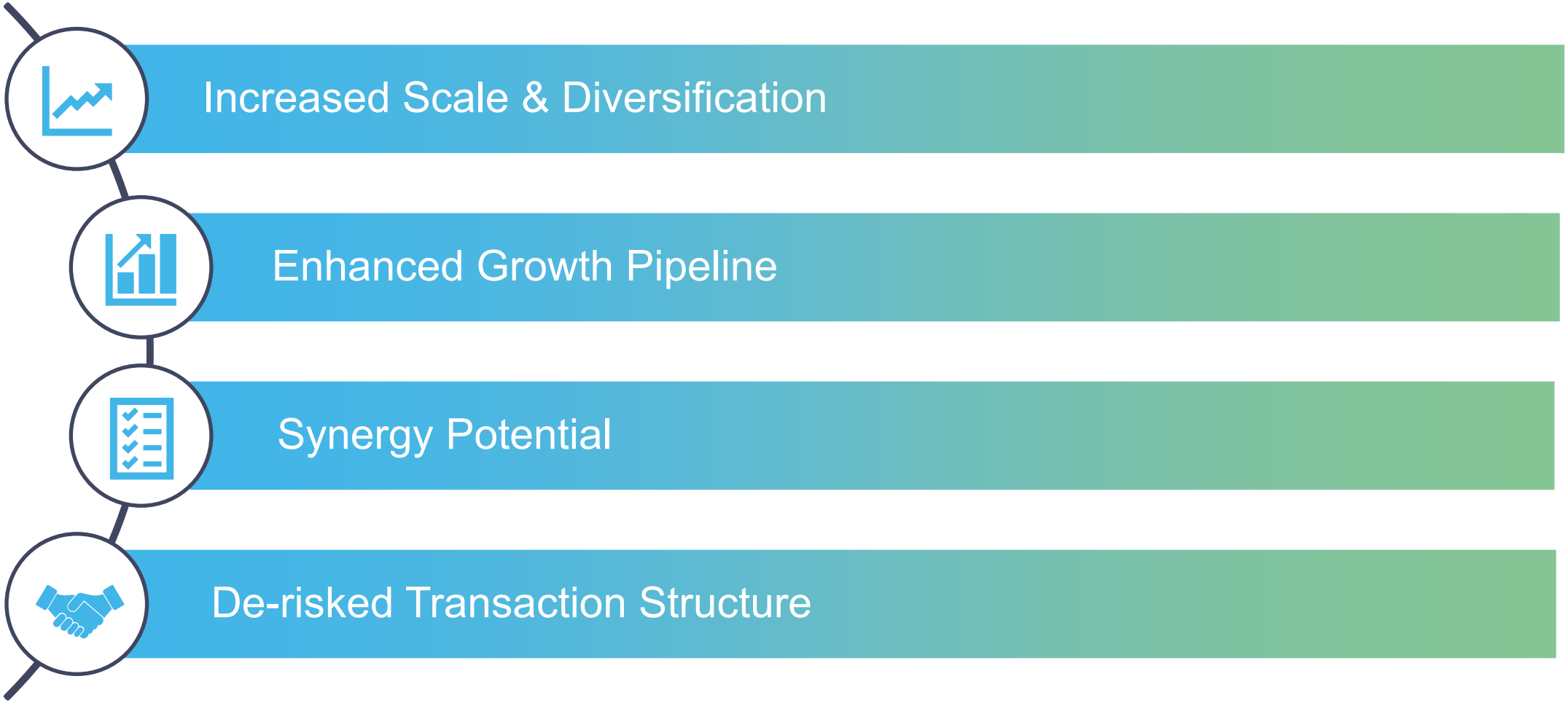


PAL Concessions | Selected Tabreed Concessions

Key Growth Drivers for Al Reem Island

Strong Government Support	• A prime development location, enhanced by government investments in key infrastructure projects • Now fully part of ADGM jurisdiction, entire island is now a freezone
Unique Competitive Positioning	• **New financial district** planned for northern Reem, catalyzing further growth. Increasingly seen as **Abu Dhabi's next business district** due to land availability & connectivity • **Shift from single-family to mid/upper-market** multifamily & community-style living • Residential options in a central location at **more affordable pricing** to neighbouring **Saadiyat Island** • High absorption of new launches signals **robust investor and end-user demand**
Transformative Infrastructure	• **Expecting boost in real estate demand** across Al Reem Island • **New bridge** to Saadiyat Island largely completed • **Etihad Rail** is a high-speed rail project that will connect Abu Dhabi to Dubai in 30 mins • **One of the 4 stations** of Etihad Rail in Abu Dhabi will be in **on Al Reem** Island (other 3 will be the Airport, Saadiyat and Yas Island)

A transformative transaction for Tabreed



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