



# **National Central Cooling Company PJSC**

(DFM:TABREED)

## **Investor Presentation**

June 2020

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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

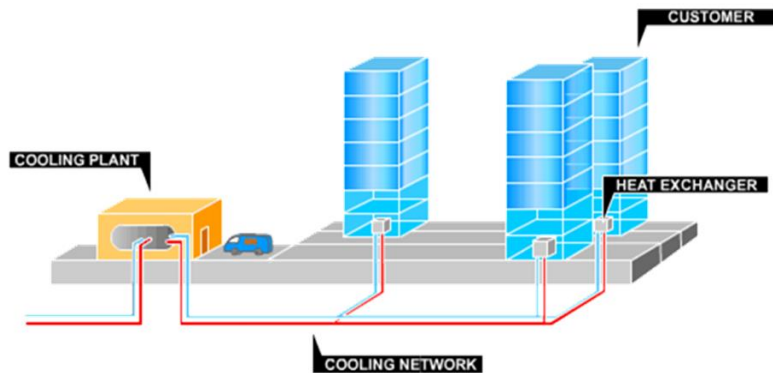
We generate sustainable long-term returns for our stakeholders on the back of the utility infrastructure business model

# 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.

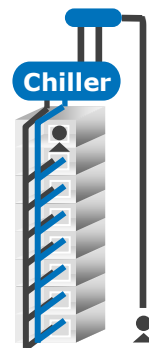
### Air Cooled Chillers

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 in Action: Yas Island

1

Chilled water is produced at our plant on Yas Island West (adjacent to Skeikh Khalifa Highway)

2

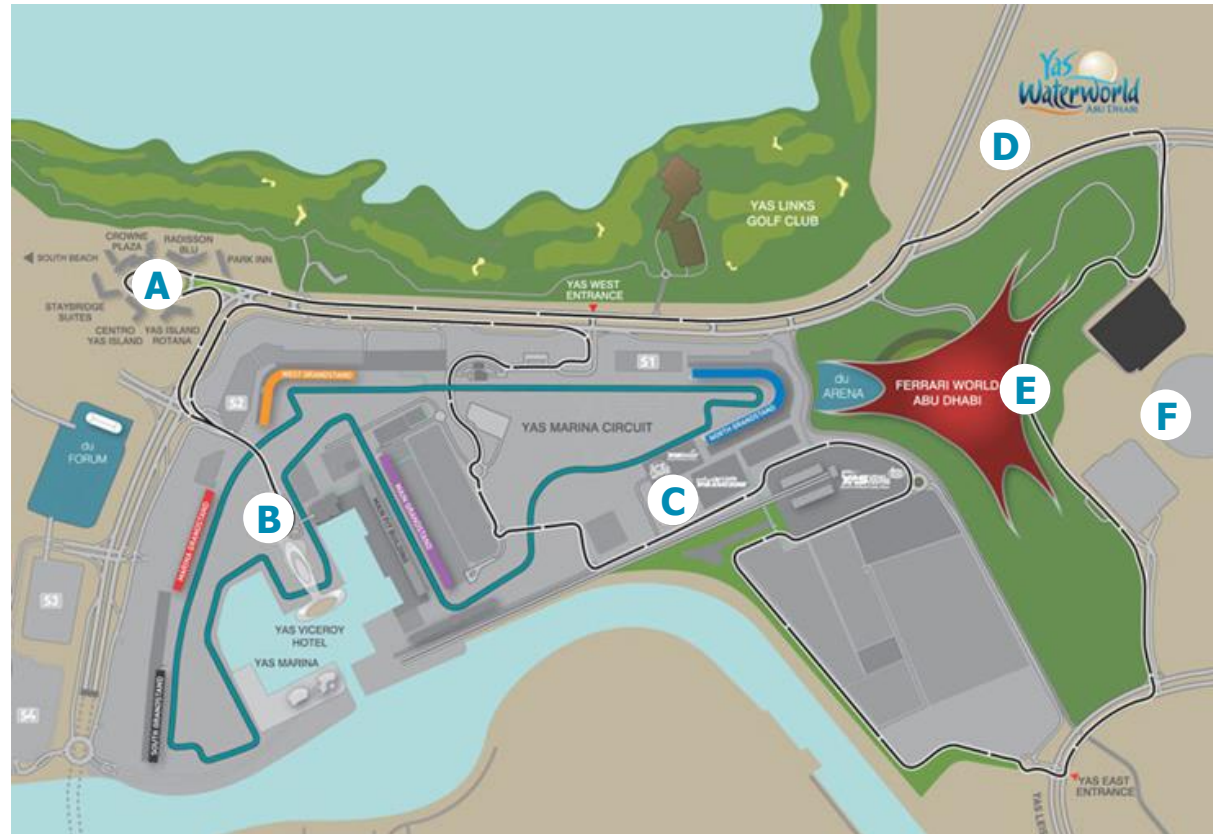
The chilled water is then distributed to projects on the Island through an insulated underground pipe network

3

Air is then forced past the cold water tubing inside the buildings to produce an air conditioned environment

4

The warm water is then returned to the plant to be re-chilled and redistributed



A. Various hotels  
B. Yas Viceroy Hotel

C. Yas Marina  
D. Yas Water World

E. Ferrari World  
F. Yas Mall



# 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



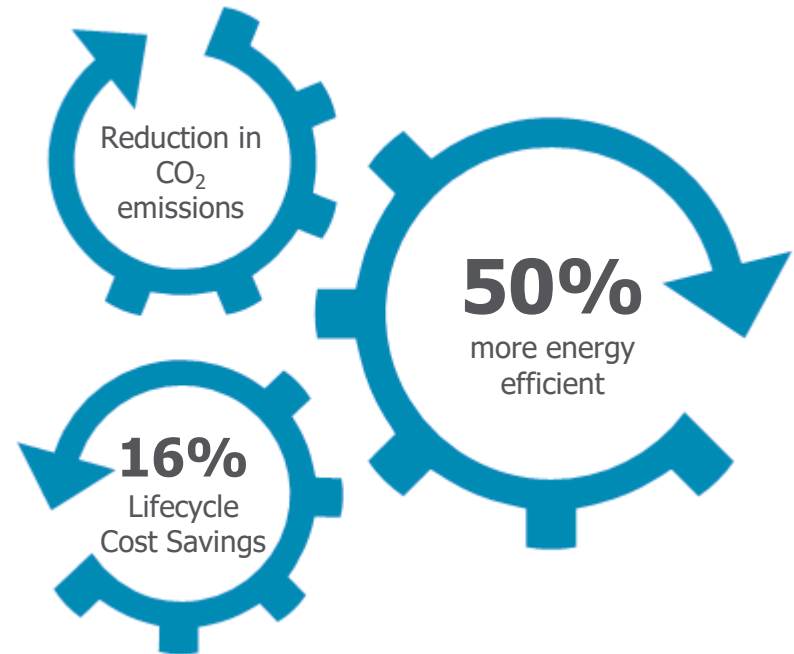
+

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

**83**

plants in  
5 countries



**1.35m RT**

delivered to clients



Equivalent to cooling

**135**

towers the size of Burj Khalifa



## Environmentally responsible operations reducing green house gas emissions



**2.06 billion kWh**

annual reduction in energy consumption in the GCC through Tabreed's DC services in 2019

=



Enough energy to power

**117,500**

homes in the GCC every year



**1.23 million tons**

annual elimination  
of CO<sub>2</sub> emissions

=

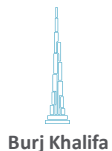


The equivalent of removing

**268,000**

cars from our streets every year

## Exclusive provider of DC services to several iconic projects



## Strong financials

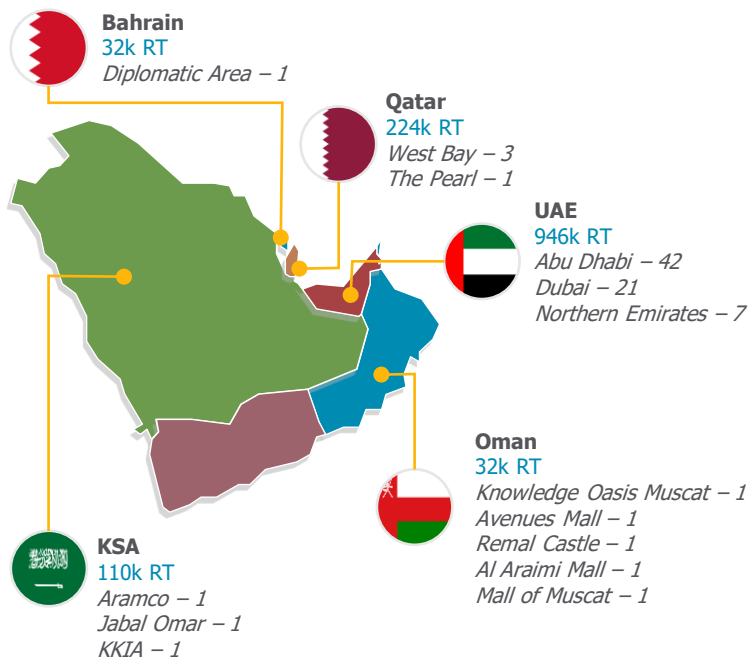
2019 revenue:  
**AED 1,520m**  
*5% growth*

2019 EBITDA:  
**AED 763m**  
*50% margin*

2019 net profit:  
**AED 472m**  
*31% margin*

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

- 5 GCC countries | 83 plants | 1.35m 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

- 62 consolidated plants, 8 held through associates and joint ventures
- Plants in 6 emirates of the UAE - Abu Dhabi, Dubai, Ajman, RAK, Sharjah and Fujairah
- 946k RT delivered to clients including some of UAE's most prominent landmarks

**Landmark Projects: Dubai Metro, Sheikh Zayed Grand Mosque, Yas Island, Al Maryah Island, Masdar City**

### Downtown DCP LLC (80%), part of National Central Cooling Company

- 3 operational plants and one under construction; current connected capacity of 150k RT and ultimate concession capacity of 235k RT
- 91% of the current capacity is contracted to Emaar Group

**Landmark Projects: Burj Khalifa, The Dubai Mall, Address Hotel and Dubai Opera**

### 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 (108k RT)

**Landmark Projects: The Pearl, West Bay**

### Saudi Tabreed District Cooling Company (Tabreed 28%)

- Partnership with ACWA Holding and others
- Owns and operates first significant DC plant in KSA – Saudi Aramco (32k RT)
- Owns and operates a DC plant in the Holy City of Mecca for Jabal Omar Development Co. (58k RT)
- Owns and operates a DC plant at the King Khaled International Airport (20k RT)
- Operates the DC plant servicing the landmark King Abdulla Financial District (KAJD) development (50k RT)

**Landmark Projects: Saudi Aramco, Jabal Omar Development, KKIA**

### Bahrain District Cooling Company (Tabreed 99.8%)

- Owns and operates 1 DC plant (32k 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**

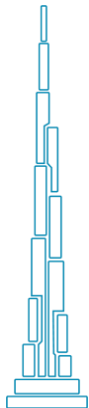
### Tabreed Oman (Tabreed 61%)

- 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, Oman Avenues Mall, Mall of Muscat**

# Tabreed in the UAE

- 70 plants in Abu Dhabi, Dubai, Ajman, RAK, & Fujairah
- Critical infrastructure partner
- About 946k RT delivered to clients
- Cooling some of the UAE's most prominent landmarks, including:



Burj Khalifa



Emaar Square Dubai



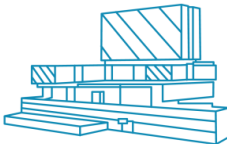
Dubai Opera

THE  
DUBAI MALL

The Dubai Mall



The Dubai Metro



Cleveland Clinic  
Abu Dhabi



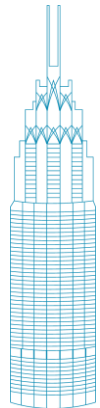
Sheikh Zayed Grand  
Mosque



Yas Marina  
Circuit



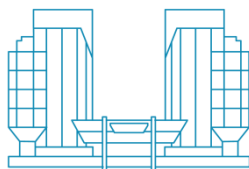
Ferrari  
World



Address  
Boulevard



Rosewood Abu  
Dhabi



Abu Dhabi Global  
Market Square



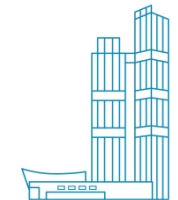
Yas Mall



Yas  
Waterworld



Etihad  
Towers



Nation Towers

# Connected Capacity

- Previously announced capacity guidance of 75,000 RT to be added over 2020 and 2021
- Organic capacity addition of 12,762 RT during Q1 2020
- Acquisition of Dubai Downtown added another 150,000 RT

Consolidated	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
UAE	705	708	708	724	875*
Bahrain	27	27	27	28	32
Oman	24	32	32	32	32
<b>Total Consolidated</b>	<b>755</b>	<b>767</b>	<b>767</b>	<b>784</b>	<b>940</b>

Equity Accounted	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
UAE	71	71	71	71	71
Qatar	218	218	218	218	224
KSA	90	90	105	110	110
<b>Total Equity Accounted</b>	<b>379</b>	<b>379</b>	<b>394</b>	<b>399</b>	<b>405</b>

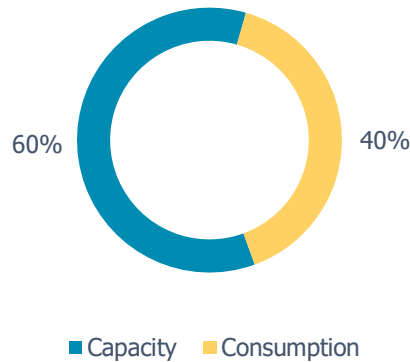
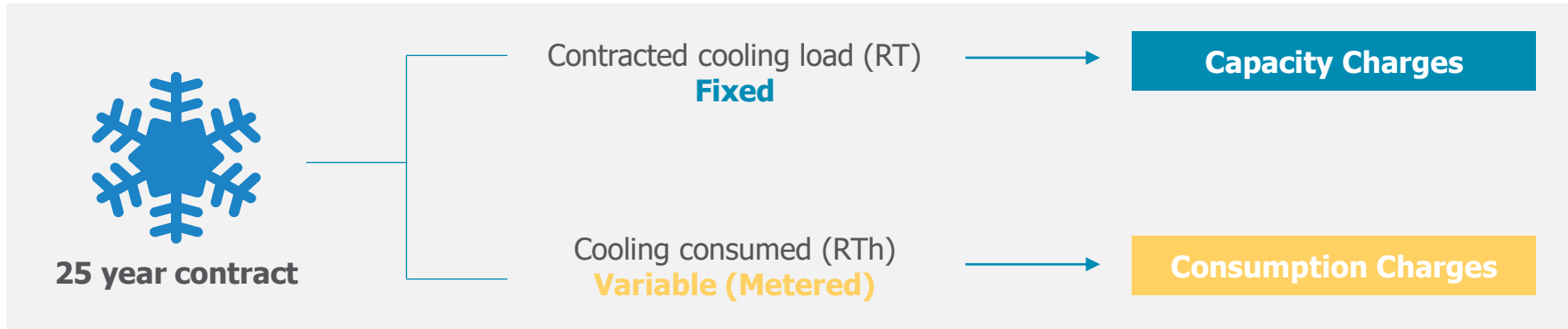
<b>Total</b>	<b>1,134</b>	<b>1,146</b>	<b>1,161</b>	<b>1,183</b>	<b>1,345</b>
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2020 & 2021 Target: 75k RT  
2020 additions: 13k RT \*\*

\* Includes 150k RT added on the acquisition of Dubai Downtown in April 2020

\*\* Organic capacity additions of 12,762 RT

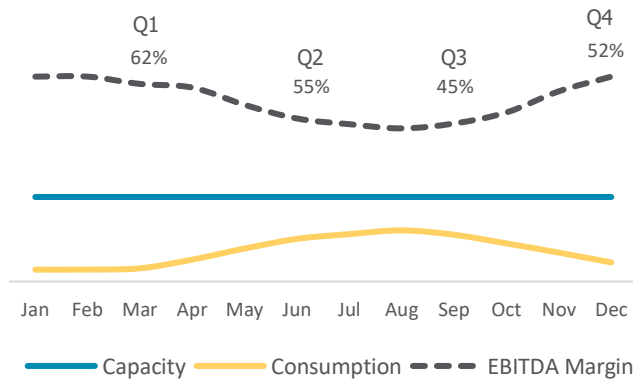
# Utility Business Model



\* Based on last 3 years average

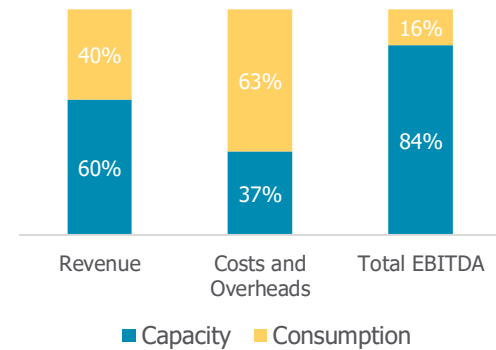
## Majority of revenue comes from capacity charges

- 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 52% for the year



\* Based on last 3 years average

## Consumption is a pass through and capacity provides returns

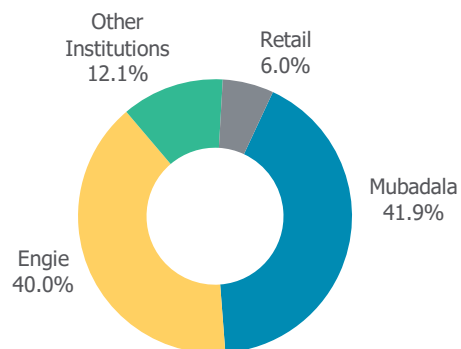
- Consumption revenue covers all variable costs of operation
- Capacity revenue covers fixed O&M, finance and corporate costs and provides return on capital

**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'S<sup>1</sup>

"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%

<sup>1</sup>Moody's report number 1141584 published on October 8, 2018



## Growth avenues

## Examples

<h3>Concessions</h3>	<ul style="list-style-type: none"> <li>• Tabreed has sole right to provide cooling services in a certain district</li> <li>• Any new buildings constructed in the district must connect to Tabreed</li> <li>• Long-term, high return contracts with tariffs similar to other buildings in the concession</li> <li>• Requires minimal capital outlay as infrastructure is already in place</li> </ul>	<ul style="list-style-type: none"> <li>• <b>UAE:</b> Downtown Dubai, Yas Island, Maryah Island, Masdar city</li> <li>• <b>Qatar:</b> Pearl Qatar</li> <li>• <b>KSA:</b> Jabal Omar development</li> <li>• <b>Bahrain:</b> Reef Island and Bahrain Financial Harbor</li> </ul>
<h3>Acquisitions</h3>	<ul style="list-style-type: none"> <li>• Acquisitions from developers who own a plant but would prefer to outsource to a 3rd party provide the cooling services</li> <li>• Acquisitions of other independent cooling companies</li> </ul>	<ul style="list-style-type: none"> <li>• Acquisition of BDCI (Al Maryah Island Plant)</li> <li>• Acquisition of ICT Nation towers plant</li> <li>• Acquisition of S&amp;T Cool plant</li> <li>• Acquisition of 2 plants from Masdar</li> <li>• Acquisition of Downtown Dubai DC assets from Emaar</li> </ul>
<h3>New connections</h3>	<ul style="list-style-type: none"> <li>• New customers connecting to existing infrastructure</li> <li>• Customers are not bound to use Tabreed (unlike concessions) however, using Tabreed will often be the most economic option</li> <li>• Usually requires no additional fixed cost and provides higher margins</li> </ul>	<ul style="list-style-type: none"> <li>• Tabreed has added around 62kRT to existing plants since 2011; ~5% incremental capacity is currently available for new connections</li> <li>• Downtown Dubai current connected capacity of 150k RT, rising to ultimate capacity of 235kRT</li> </ul>
<h3>New plants</h3>	<ul style="list-style-type: none"> <li>• When a new plant is agreed and built for a new development</li> <li>• Driven by demand in the construction and real estate market</li> </ul>	<ul style="list-style-type: none"> <li>• 2 new plants (over 25kRT) in 2018, 4 new plants (33kRT) in 2019</li> <li>• Currently have 1 plant under construction across the region</li> </ul>
<h3>New Geographies</h3>	<ul style="list-style-type: none"> <li>• Explore growth opportunities in select new geographies outside GCC (e.g. Egypt, Kuwait and India)</li> </ul>	<ul style="list-style-type: none"> <li>• Signed concession agreement for 20k RT of cooling at Amaravati in India</li> </ul>

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

<b>1998</b>	The UAE Offset Program sowed the seeds of Tabreed
<b>2000</b>	Signed an agreement to supply the UAEAF; Listed on the DFM
<b>2005</b>	Signed agreements with Aldar and the RTA
<b>2006 - 2008</b>	Issued Mandatory convertible bond of AED 1.7 billion; Rapidly expanded in 4 other GCC countries
<b>2009</b>	Recorded a loss of over AED 1.2 billion due to economic slowdown; Management changed
<b>2011</b>	Closed UAE's First Commercial Recapitalization Program; Mubadala injects AED 3.1bn
<b>2012</b>	Build-out program complete
<b>2014</b>	Completed refinancing; Signed agreement with Meraas; Acquired Al Maryah Island plant; Renewed contract with UAEAF
<b>2015</b>	MCB repurchase; Renewed Aldar agreement; 20% increase in dividends
<b>2017</b>	Mubadala converts MCBs and ENGIE acquires 40% of Tabreed; New AED 1.5bn Islamic Financing; Tabreed stock became Shari'a compliant
<b>2018</b>	Acquired 50% stake in S&T Cool from Aldar; IDB Infrastructure Fund acquires stake in Saudi Tabreed; Successful refinancing exercise - US\$ 500m, 7-yr Sukuk raised
<b>2019</b>	Signed a 30-year concession agreement to provide 20k RT of cooling capacity at Amaravati, India; Increased stake in Saudi Tabreed from 20% to 28%
<b>2020</b>	Acquired 80% of Emaar's Dubai Downtown DC assets; Acquired two district cooling plants from Masdar City with total concession capacity of around 69,000 RT; Signed a partnership agreement with Bee'ah to jointly explore the development of large-scale district cooling projects in Sharjah

- 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 790 staff and has 83 plants in 5 GCC countries providing the infrastructure for the region's sustainable development while providing sustainable returns to its shareholders

## Connected Capacity (k RT)

	2000	2005	2010	2015	2020
Group	2	97	597	974	1,345
UAE	2	97	477	690	946

2020 includes 150k RT added on the acquisition of Dubai Downtown in April 2020

## 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



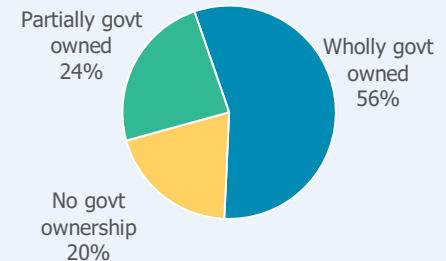
- Roads and Transport Authority of Dubai (RTA) is responsible for transport, roads & traffic in the Emirate of Dubai
- Tabreed has been providing cooling to all metro stations of the iconic Dubai Metro project since 2009
- Long term 27 year contract



- 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

The top 3 customers accounted for 56% of chilled water revenues in 2019

**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



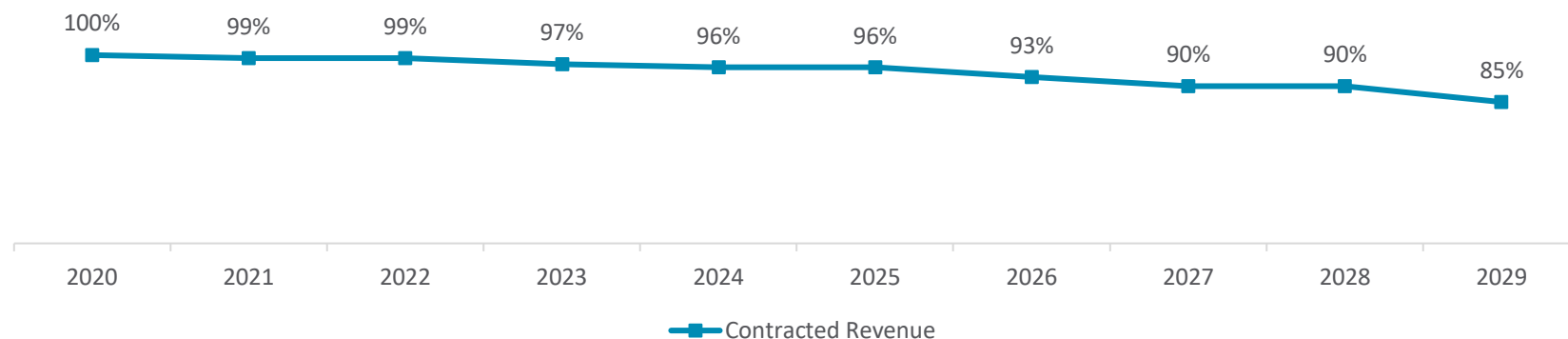
Our joint ventures and associates also provide cooling to key Government clients such as Saudi Aramco, King Abdullah Financial District and King Khalid International Airport. Also serve reputable private customers such as United Development Company in Qatar and Lulu in Oman

# 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

## 85%+ of capacity revenue is locked in over next 10 years



# 22 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 22 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 3<sup>rd</sup> 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

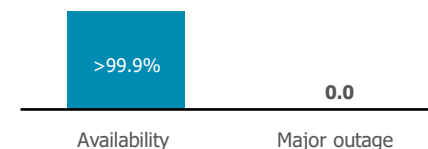
### Project design and delivery

- 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	2019
Total Recorded Incident Rate	0.80	0.51	0	0
Lost Time Injury Frequency Rate	0	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 Belhoul 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.



**Adel Salem Al Wahedi**  
Chief Financial Officer

Appointed as Tabreed's Chief Financial Officer in March 2020.

Prior to joining Tabreed, he was Group CFO of Arabtec Holding. He has also served as CFO for some of the largest entities in the UAE including Abu Dhabi Ports Company and Petrofac Emirates, in addition to holding senior positions at Emirates Telecommunications Corporation (Etisalat).

He has over 22 years of experience in the fields of corporate finance, mergers & acquisitions, statutory accounting, budgeting, planning, costing and strategic decision making in both private and public companies in KSA, Egypt, Sudan, and the region.



**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

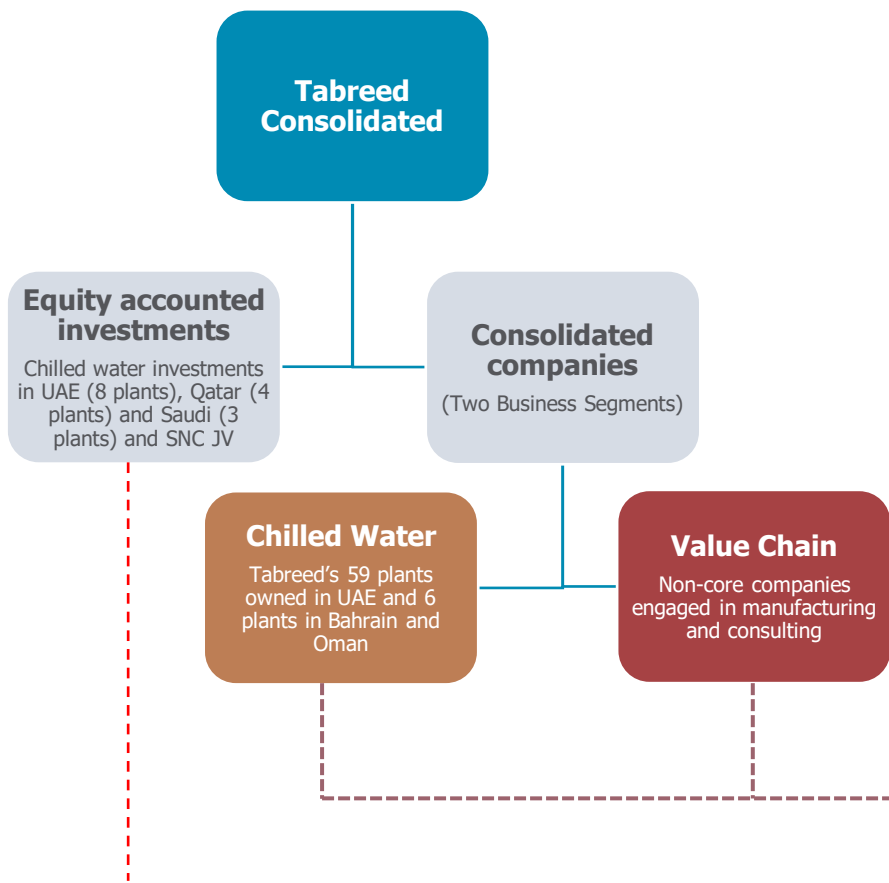
François-Xavier ("FX") has over 15 years of experience in the fields of Business Development, Acquisitions, Project and Structured Finance. He has a diverse experience in different businesses such as construction, banking, financial services, utilities, and oil and energy industries across various geographies.

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



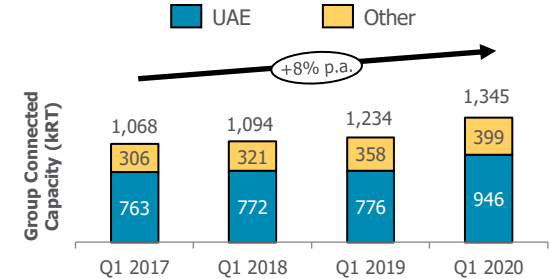
Consolidated Income Statement (AEDm)		2019
Revenue		1,520
Operating cost		(768)
<b>Gross Profit</b>		<b>753</b>
Administrative and other expenses		(220)
<b>Profit from Operations</b>		<b>532</b>
Net finance costs		(178)
Other gains and losses		27
Share of results of associates and joint ventures		99
Income attributable to non-controlling interests		(8)
<b>Net Profit</b>		<b>472</b>

Chilled water contributes 96% of total revenues, 98% of Gross Profit, and 99% of EBITDA; While value chain businesses are profitable, they contribute only about 4% to Tabreed's Revenue and 1% of EBITDA

# Headline Performance

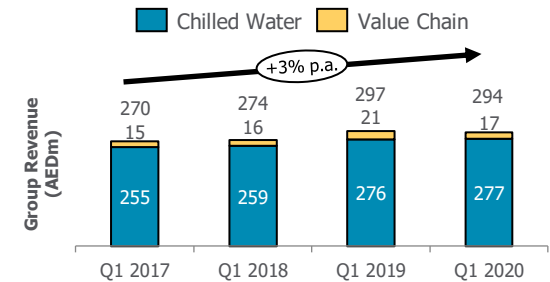
## Long-term contracts with credit worthy customers

- Providing over 1.35m RT of cooling across GCC – grown at 8% CAGR since 2017
- Long term contracts (~25 years) mean over 90% of contracted capacity locked in for at least the next 10 years
- About 80% of revenues from wholly government owned and partially government owned entities



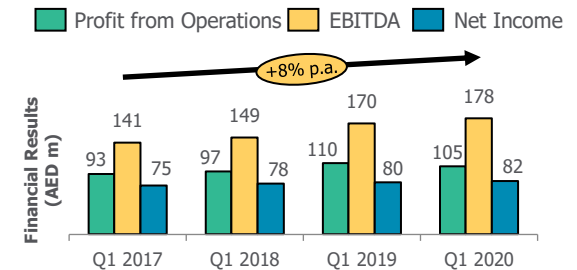
## Revenue growth from existing and new business

- Group revenue growing at a 3% CAGR since 2017 driven by Chilled Water revenue growth of 3%
- Utility business model leads to steady increases in revenue and profitability from existing customers
- Acquired 80% stake in Emaar’s Dubai Downtown District Cooling business and signed a long term concession



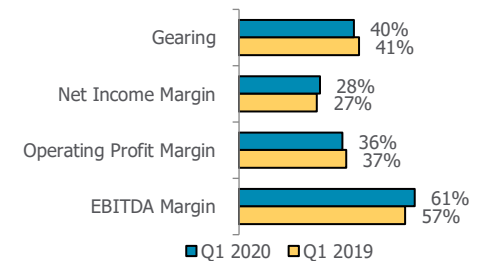
## Solid financial performance

- Predictability in earnings driven by capacity charge
- EBITDA has grown 8% annually since 2017



## Value to shareholders

- EBITDA margin of 61%
- Strong balance sheet
- Stable cash flow generation
- Dividend of 10.5 fils, up from 9.5 fils in 2018



# Income Statement

Consolidated Financials (AED m)	Q1 2020	Q1 2019	Variance	%
Revenue	294	297	(2)	-1%
Chilled water revenue (94%)	277	276	1	0%
Value chain businesses (6%)	17	21	(4)	-17%
Operating cost	(131)	(135)	4	-3%
<b>Gross Profit</b>	<b>163</b>	<b>162</b>	<b>1</b>	<b>1%</b>
<i>Gross profit margin</i>	<i>55%</i>	<i>54%</i>		
Administrative and other expenses	(58)	(52)	(6)	12%
<b>Profit from Operations</b>	<b>105</b>	<b>110</b>	<b>(5)</b>	<b>-4%</b>
<i>Operating profit margin</i>	<i>36%</i>	<i>37%</i>		
Net finance costs	(42)	(45)	2	-5%
Other gains and losses	1	0	1	-
Share of results of associates and joint ventures	20	16	4	26%
Income attributable to non-controlling interests	(1)	(1)	(1)	85%
<b>Net Income</b>	<b>82</b>	<b>80</b>	<b>2</b>	<b>3%</b>
<i>Net Income margin</i>	<i>28%</i>	<i>27%</i>		
<b>EBITDA</b>	<b>178</b>	<b>170</b>	<b>8</b>	<b>5%</b>
<i>EBITDA margin</i>	<i>61%</i>	<i>57%</i>		

## Key Observations

- Decrease in revenue primarily due to decline in Value Chain Business
- Chilled Water growth in Q1 2020, driven by higher consumption and new connections, was offset by non-cash loss on account of finance lease amortization due to change in CPI
- Higher G&A primarily due a AED 10m provision on account of COVID-19
- Lower finance cost to due to lower interest rates and scheduled repayments
- Share of results of associates and joint venture up due to one off gains

# Financial Position

Consolidated Financials (AED m)	Mar 31, 2020	Dec 31, 2019	Variance	%
Fixed Assets	7,255	7,288	(33)	0%
Associates and Joint Ventures	712	732	(20)	-3%
Accounts Receivable	669	593	75	13%
Cash and Short Term Deposits	2,705	227	2,479	-
Other Assets	66	63	3	4%
<b>Total Assets</b>	<b>11,407</b>	<b>8,904</b>	<b>2,503</b>	<b>28%</b>
Equity and Reserves	4,774	5,016	(242)	-5%
Non Convertible Sukuk	1,829	1,829	0	0%
Other Corporate Debt	3,810	1,312	2,498	190%
Other Liabilities	993	747	247	33%
<b>Total Liabilities and Equity</b>	<b>11,407</b>	<b>8,904</b>	<b>2,503</b>	<b>28%</b>

## Key Observations

- Increase in receivables due to timing difference and seasonality compared to December 2019
- Movement in Equity Reserves and Other Liabilities on account of 2019 Dividend which was subsequently paid on 11 April 2020
- Increase in Cash and Corporate Debt represent drawdown of AED 2.5 billion term loan for the acquisition of Downtown DCP

# Cash Flow Statement

Consolidated Financials (AED m)	Q1 2020	Q1 2019	Variance	%
<b>Profit from Operations</b>	<b>105</b>	<b>110</b>	<b>(5)</b>	<b>-4%</b>
Finance lease amortization	30	14	15	108%
Depreciation	43	46	(3)	-7%
Working Capital and other adjustments	(128)	68	(196)	-289%
<b>Net cash flows from Operating Activities</b>	<b>49</b>	<b>238</b>	<b>(189)</b>	<b>-79%</b>
Capital expenditure incurred	(54)	(17)	(38)	226%
Dividends and interest income received	3	1	2	314%
<b>Net cash flows from Investing Activities</b>	<b>(51)</b>	<b>(16)</b>	<b>(35)</b>	<b>222%</b>
Debt servicing	2,494	(37)	<b>2,531</b>	-
Others	(14)	(1)	(13)	-
<b>Net cash flows from Financing Activities</b>	<b>2,480</b>	<b>(38)</b>	<b>2,518</b>	<b>-</b>
<b>Net Movement in Cash and Cash Equivalents</b>	<b>2,479</b>	<b>185</b>	<b>2,294</b>	<b>-</b>
Cash and Cash Equivalents at the start of the period	227	249	(22)	-9%
<b>Cash and Cash Equivalents at the end of the period</b>	<b>2,705</b>	<b>434</b>	<b>2,272</b>	<b>524%</b>

## Key Observations

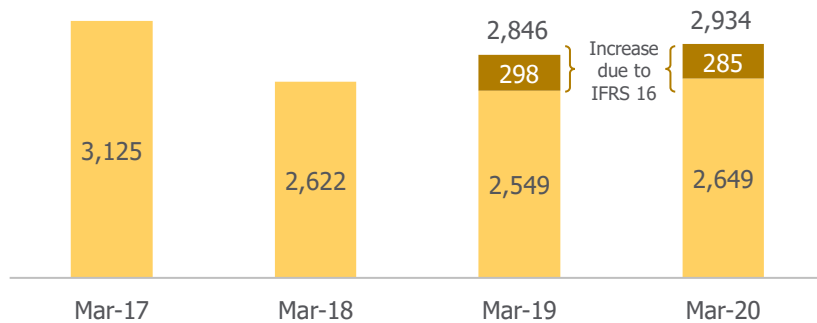
- Operating cash flows impacted due to higher receivables
- Capex includes expansion at existing UAE concession areas
- Movement in Debt servicing includes drawdown of AED 2.5 billion term loan for the acquisition of Downtown DCP



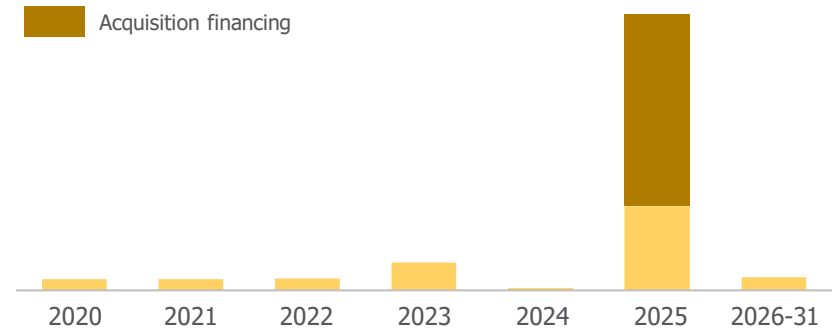
# Debt Portfolio and Return Ratios

- Current gearing of 40%\* (vs. 39% in Dec 2019); Increase in debt in 2019 and 2020 due to implementation of IFRS 16
- No significant debt repayments until the Sukuk matures and new acquisition term loan bullet becomes due in 2025. However, the robust cash flow profile enables Tabreed to deleverage quickly
- Strong improvement in Net Debt to EBITDA ratio as EBITDA continues to grow and debt declines
- Consistent improvement in return ratios

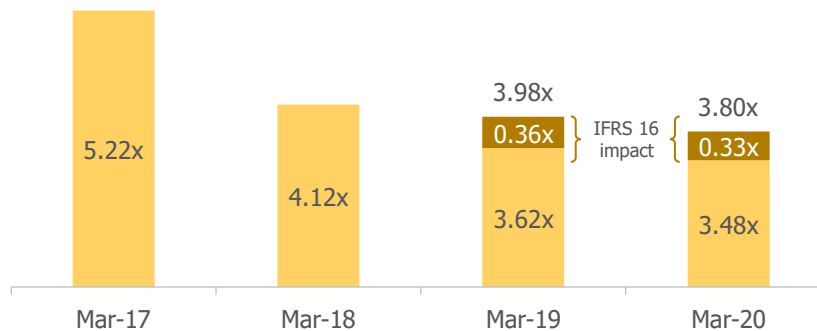
## Net Debt Profile (AED m)



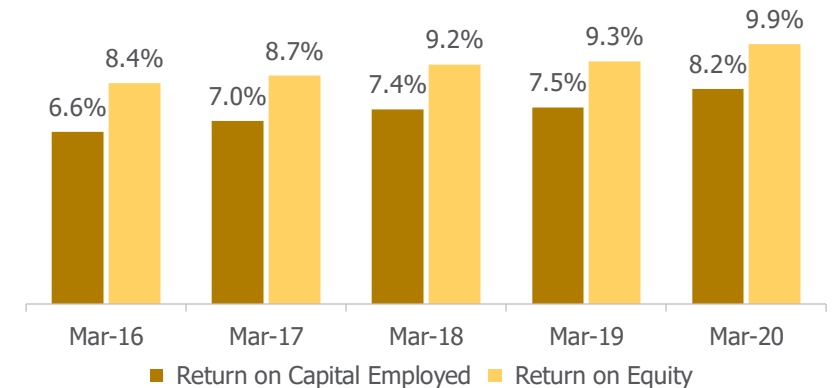
## Debt Maturity Profile (AED m)



## Net Debt to LTM EBITDA



## Return on Capital Employed\* and Return on Equity



\* Adjusted for AED 2.5 billion drawn down for acquisition

# 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 22 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
- EBITDA has grown 8% annually since 2017, driven by capacity additions and CPI pass through
- Stable utility infrastructure business model enables consistent performance

## Seeking and investing in opportunities across GCC

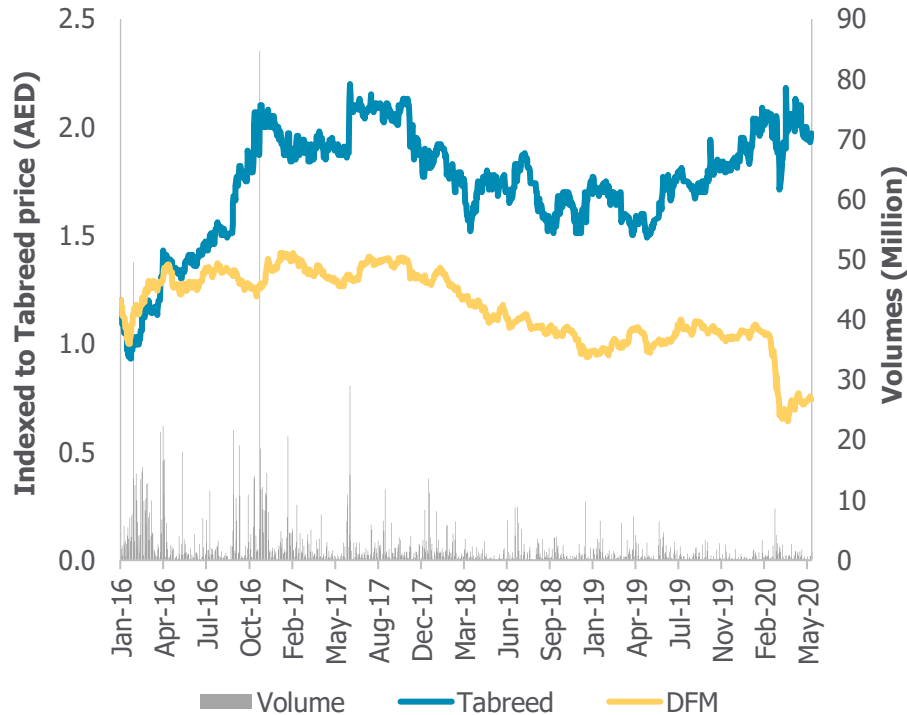
- Focus on stable Chilled Water leading to enhanced value from existing plants and increasing operational efficiencies
- Seeking and investing in organic and inorganic projects across the GCC and selectively outside of GCC
- De-risking projects by using "take or pay" fixed date contracts and ring-fenced project financing
- Acquisition of two plants from Masdar with a total concession capacity of 69,000 RT
- Acquisition of 80% stake in Emaar's Dubai Downtown District Cooling business and signed a long term concession

## Track record of delivering capacity growth

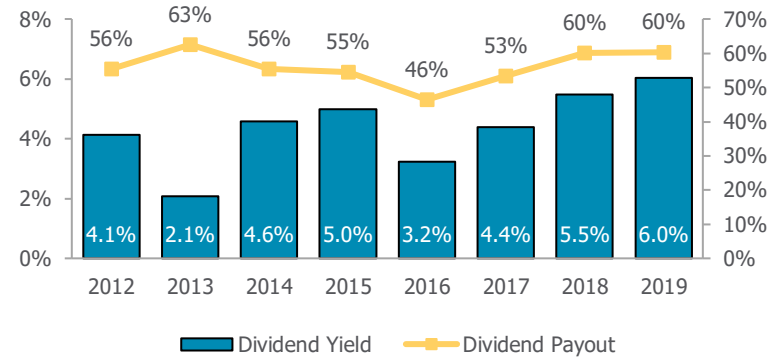
- Capacity addition of 127k RT since 2017; Further, 150k RT added on the acquisition of Dubai Downtown
- 75k RT of signed up capacity additions expected by the end of 2021; 13k RT delivered in 2020 on organic basis
- Regional footprint allows access to varied growth opportunities
- Operational track record, customer relationships and financial strength to benefit from growth in the region

# Shareholder Returns

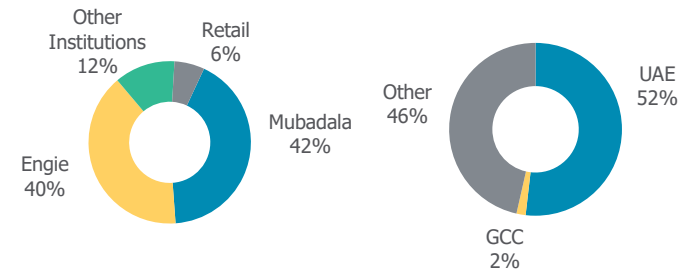
2016 to date – Market price of Tabreed vs. DFM



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; 2019 dividend of 10.5 fils/share
- Share price beating DFM index since 2016
- A strong shareholder base with Mubadala and ENGIE providing support and operations growth

# Contact Us

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# Income Statement

Consolidated Financials (AED m)	2019	2018	Variance	%
Revenue	1,520	1,447	73	5%
Chilled water revenue (96%)	1,456	1,361	95	7%
Value chain businesses (4%)	64	86	(22)	-26%
Operating cost	(768)	(784)	16	-2%
<b>Gross Profit</b>	<b>753</b>	<b>663</b>	<b>90</b>	<b>14%</b>
<i>Gross profit margin</i>	<i>50%</i>	<i>46%</i>		
Administrative and other expenses	(220)	(204)	(17)	8%
<b>Profit from Operations</b>	<b>532</b>	<b>459</b>	<b>73</b>	<b>16%</b>
<i>Operating profit margin</i>	<i>35%</i>	<i>32%</i>		
Net finance costs	(178)	(161)	(16)	10%
Other gains and losses	27	43	(16)	-37%
Share of results of associates and joint ventures	99	90	9	10%
Income attributable to non-controlling interests	(8)	(4)	(5)	-
<b>Net Income</b>	<b>472</b>	<b>428</b>	<b>45</b>	<b>11%</b>
<i>Net Income margin</i>	<i>31%</i>	<i>30%</i>		
<b>EBITDA</b>	<b>763</b>	<b>694</b>	<b>69</b>	<b>10%</b>
<i>EBITDA margin</i>	<i>50%</i>	<i>48%</i>		

## Key Observations

- Increase in revenue mainly driven by chilled water consumption growth, CPI adjustment in 2019, consolidation of S&T, and new connections in UAE and Oman
- Operating costs lower and finance cost higher mainly due to IFRS 16; Operating cost also positively impacted by efficiency gains
- Other gains in 2019 mainly includes gain on initial recognition of new finance lease plants in UAE and Oman; last year included a gain of AED 32.6 on partial disposal of Saudi Tabreed
- Share of results of associates and joint venture up due to one-off gains
- EBITDA margin expanded from 48% to 50%; IFRS 16 implementation had 2% impact on EBITDA margin

# Financial Position

Consolidated Financials (AED m)	Dec 31, 2019	Dec 31, 2018	Variance	%
Fixed Assets	7,288	7,026	262	4%
Associates and Joint Ventures	732	579	153	26%
Accounts Receivable	593	568	25	4%
Cash and Short Term Deposits	227	249	(22)	-9%
Other Assets	63	61	2	3%
<b>Total Assets</b>	<b>8,904</b>	<b>8,484</b>	<b>419</b>	<b>5%</b>
Equity and Reserves	5,016	4,737	278	6%
Non Convertible Sukuk	1,829	1,829	0	0%
Other Corporate Debt	1,312	1,160	152	13%
Other Liabilities	747	758	(11)	-1%
<b>Total Liabilities and Equity</b>	<b>8,904</b>	<b>8,484</b>	<b>419</b>	<b>5%</b>

## Key Observations

- Increase in fixed assets primarily due to the implementation of IFRS 16
- Receivables compared to December 2018 have been in line with revenue growth; Down compared to September 2019 representing strong collections
- Increase in associates primarily due to purchase of additional stake in Saudi Tabreed
- Increase in Other Corporate Debt reflects the implementation of IFRS 16; Total debt reduction of AED 143m

# Cash Flow Statement

Consolidated Financials (AED m)	2019	2018	Variance	%
<b>Profit from Operations</b>	<b>532</b>	<b>459</b>	<b>73</b>	<b>16%</b>
Finance lease amortization	61	85	(25)	-29%
Depreciation	170	150	20	14%
Working Capital and other adjustments	19	(32)	51	-158%
<b>Net cash flows from Operating Activities</b>	<b>782</b>	<b>662</b>	<b>120</b>	<b>18%</b>
Capital expenditure incurred	(104)	(100)	(4)	4%
Dividends and interest income received	47	75	(28)	-37%
(Purchase)/Sale of stake in associate and joint ventures (net)	(128)	(216)	89	-41%
<b>Net cash flows from Investing Activities</b>	<b>(184)</b>	<b>(241)</b>	<b>57</b>	<b>-24%</b>
Debt servicing	(306)	(352)	46	-13%
Others	(314)	(238)	(76)	32%
<b>Net cash flows from Financing Activities</b>	<b>(620)</b>	<b>(590)</b>	<b>(30)</b>	<b>5%</b>
<b>Net Movement in Cash and Cash Equivalents</b>	<b>(22)</b>	<b>(169)</b>	<b>147</b>	<b>-87%</b>
Cash and Cash Equivalents at the start of the period	249	418	(169)	-40%
<b>Cash and Cash Equivalents at the end of the period</b>	<b>227</b>	<b>249</b>	<b>(22)</b>	<b>-9%</b>

## Key Observations

- Strong operating cash flows driven by higher profitability
- Movement in dividend received due to special dividend on disposal of partial stake in Saudi Tabreed last year
- Investing cash flows primarily reflect increase in stake in Saudi Tabreed this year; Previous year included acquisition of S&T and dilution of stake in Saudi Tabreed
- Movement in Others due to higher dividend pay out this year