Press Release

Tabreed's Reports 10% Increase in Net Profit to AED 319.3 Million

Tabreed has been rated investment grade by two credit rating agencies

14 November, 2018 – Abu Dhabi, United Arab Emirates: National Central Cooling Company PJSC (DFM: Tabreed), the leading UAE-based regional district cooling utility company, today released its consolidated financial results for the first nine months of 2018. Tabreed reported a 10% increase in net profit to AED 319.3 million for the year up to 30 September, compared with the same period in 2017, mainly driven by the acquisition in March of S&T Cool, a district cooling provider on Reem Island in Abu Dhabi, as well as income in May from a partial sale of Saudi Tabreed following the investment by the IDB Infrastructure Fund II, reducing Tabreed's total shareholding in Saudi Tabreed from 25% to 20%.

Tabreed's latest financial results follow its announcement last month that it successfully issued a US$500 million (AED 1.8 billion) fixed rate senior unsecured US dollar denominated RegS sukuk with a 7 year tenor. The issue was 50% oversubscribed and saw strong institutional demand both locally and in Asia and Europe. The sukuk was competitively priced, with a profit rate of 5.5%, underpinned by Moody's Baa3 and Fitch's BBB credit ratings, assigned to Tabreed and to the sukuk itself. Tabreed also arranged new bank facilities of up to AED 1.5 billion which, along with the sukuk, will be used to refinance AED 2.8 billion of current corporate debt and provide a committed revolving credit facility which is available to fund the business as needed.

Financial highlights – nine months ended 30 September 2018:

- Net profit attributable to the parent increased by 10 per cent to AED 319.3 million (Q3 2017: AED 290.4 million)
- Group revenue increased by 4 per cent to AED 1,090 million (Q3 2017: AED 1,049.1 million), driven by the acquisition in March 2018 of S&T Cool, a district cooling provider on Reem Island in Abu Dhabi
- Core chilled water revenue increased by 4 per cent to AED 1,033.7 million (Q3 2017: AED 993.5 million)
- EBITDA increased by 9 per cent to AED 505.9 million (Q3 2017: AED 464.6 million)
- Share of results of associates and joint ventures decreased by 22 per cent to AED 70.7 million (Q3 2017: AED 91 million), due to the impact of new accounting standard (IFRS 15)

Operational highlights – nine months ended 30 September 2018:

- In the first three quarters of the year, total Group connected capacity across the GCC increased to 1,121,520 Refrigeration Tons (RT), with 29,202 RT of new customer connections added and one new plant became fully operational

Environmental highlights – nine months ended 30 September 2018:

- Contributed to saving 1,519,467,916 kilowatt/hour across the GCC – enough energy to power approximately 86,525 homes in the UAE every year

- These power savings prevented the release into the atmosphere of 759,734 metric tons of carbon dioxide – the equivalent of eliminating the emissions from 165,160 vehicles annually

Khaled Abdulla Al Qubaisi, Tabreed's Chairman, commented: "We are pleased to report another strong set of both financial and operational results, with a net income increasing 10%, reflecting our solid group performance. We also saw stable growth in our connected capacity, adding over 29,000 of new customer connections in the first nine months of this year. Additionally, in Q3 we received new investment grade ratings from Moody's and Fitch, which is a strong endorsement of Tabreed's strong utility business model."

Jasim Husain Thabet, Tabreed's Chief Executive Officer, added: "These solid results follow our successful raising of a 500 million dollar sukuk, which was 50% oversubscribed, receiving strong institutional demand both locally and in Asia and Europe. This, coupled with another quarter of consistently strong results, confirms Tabreed's position as a leader in district cooling in the region."

Tabreed is a partner of choice for organizations across the GCC in providing environmentally friendly district cooling solutions that support the region's energy sustainability. With 73 district cooling plants located throughout the region, Tabreed currently delivers over 1 million refrigeration tons to key developments in the region including iconic infrastructure projects such as Abu Dhabi's Al Maryah Island, Yas Island, Sheikh Zayed Grand Mosque, Dubai Metro, Dubai Parks and Resorts, and the Jabal Omar Development in the Holy City of Mecca, Kingdom of Saudi Arabia.

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About National Central Cooling Company PJSC (Tabreed)

Tabreed is the leading UAE-based regional district cooling utility company that provides energy-efficient, cost-effective and environmentally friendlier year-round district cooling solutions in the GCC. Founded in 1998, and listed on the Dubai Financial Market, Tabreed's cooling infrastructure is an integral part of the region's growth. The company now delivers over 1 million refrigeration tons to major residential, commercial, government and private projects. Tabreed owns and operates 73 plants in its portfolio across the GCC, including 63 plants in the United Arab Emirates, two in the Kingdom of Saudi Arabia, three in Oman, one in the Kingdom of Bahrain and others in the region.

For more information, please visit www.tabreed.ae or contact:

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