

Scaling Sustainable Cooling One Strategy. Two Milestones.

ANNUAL INTEGRATED REPORT 2025

essential for progress



Tabreed is the preferred partner for sustainable cooling infrastructure

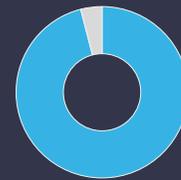
Tabreed, established in 1998, is a leading international district cooling company operating across the GCC, as well as in Egypt and India.

Known for its highly reliable, efficient and environmentally friendly cooling solutions, Tabreed delivers 1.57 million refrigeration tons of cooling across 99 plants.

The company provides cooling to some of the most iconic projects in the UAE, such as the Sheikh Zayed Grand Mosque, Louvre Abu Dhabi, Burj Khalifa, The Dubai Mall, Dubai Metro, Ferrari World, Warner Brothers and SeaWorld, as well as many others.

Our Business Segments

Chilled Water



97%
of revenue

Design, Build, Operate and Maintain district cooling systems and Distribution and Sales of chilled water for use in district cooling technologies

Value Chain

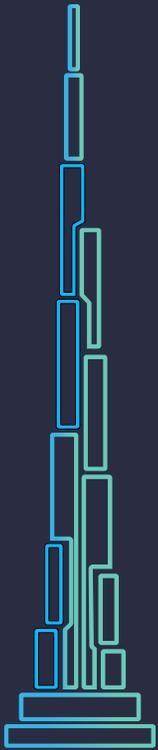


3%
of revenue

Supports core chilled water business by providing pre-insulated pipes and other services such as water treatment, billing and collection, energy efficiency consultancy, etc.



With deep integration into UAE's real estate and iconic tourist destinations



Burj Khalifa



Cleveland Clinic
Abu Dhabi



Sheikh Zayed
Grand Mosque



Yas
Marina Circuit



Yas Mall



Rosewood
Abu Dhabi



Abu Dhabi Global
Market Square



Dubai
Metro



Ferrari
World



SeaWorld
Abu Dhabi



Dubai Parks
and Resorts



Yas
Waterworld



Louvre
Abu Dhabi

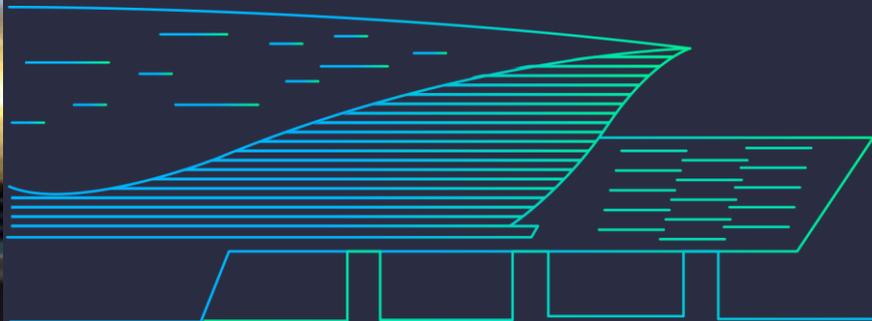


Etihad
Towers



TABLE OF CONTENTS

	Leadership Perspective	05 - 07
	2025 Highlights	08 - 17
	Strategy and Value Creation	18 - 30
	Financial Review	31 - 40
	ESG Performance	41 - 74
	Corporate Governance	75 - 125
	Financial Statements	126 - 244





Section 1: Leadership Perspective

Chairman's Message 06

CEO's Review 07





CHAIRMAN'S MESSAGE: VISION FOR GROWTH AND SUSTAINABILITY



**Dr. Bakheet
Al Katheeri**

Chairman, Tabreed

As we reflect on another transformative year at Tabreed, I am immensely proud of the company's unwavering commitment to delivering sustainable, efficient cooling solutions across our growing network.

In 2025, we expanded our reach through significant portfolio growth, with record new connections, the acquisition with CVC DIF of PAL Cooling and partnership with Dubai Holding to exclusively supply Palm Jebel Ali with sustainable district cooling. This growth underscores our dedication to urban resilience, reducing energy consumption and carbon footprints in densely populated areas. It also aligns Tabreed with Abu Dhabi's Economic Vision 2030, as we help to facilitate rapid real estate expansion that's smart, efficient and sustainable.

Innovation remains at the heart of our operations. We are advancing AI-driven predictive maintenance systems, enhancing system reliability and reducing downtime. Our adoption of renewable energy sources, such as integrating solar power with thermal energy storage at two plants in Abu Dhabi, has set new benchmarks for environmental stewardship, aligning with global climate goals. And our partnerships with organisations such as Dubai Holding and CVC DIF made a positive, indelible mark on Tabreed during 2025, as we build new plants to cool new districts and acquire existing infrastructure that numerous businesses and residents depend upon.

Despite global headwinds and constantly evolving regulatory landscapes, Tabreed's agile and proactive approach to business ensures seamless service delivery. And we continue to invest heavily in our most important asset: Tabreed's people, the tireless engine that drives this company, by incorporating cutting-edge technologies and nurturing a culture of operational excellence and non-negotiable safety standards.

I extend my deepest gratitude to our dedicated employees, loyal shareholders and supportive stakeholders for their trust and collaboration. Together, we are cooling the future responsibly while enabling progress across the UAE and beyond.



CEO'S REVIEW: EXECUTION HIGHLIGHTS AND STRATEGIC OUTLOOK



**Dr. Yousif
Al Hammadi**

Interim CEO, Tabreed

If one word were to define Tabreed's performance in 2025, it would be growth. Growth in connected capacity, growth in portfolio and growth in future potential all delivered within a record-breaking year. Today, Tabreed owns and operates 99 district cooling plants across six countries, providing sustainable cooling solutions to a diverse mix of businesses, residential communities and iconic cultural landmarks.

During the year, the company's connected capacity increased by an impressive 19%, reaching 1.57 million refrigeration tons (RT). This was driven by our acquisition of PAL Cooling, completed in partnership with CVC DIF, which added 191,000 RT to our portfolio. Importantly, 2025 also marked a year of exceptional organic expansion, with 33,000 RT added in the UAE and a further 25,000 RT across our international footprint.

This momentum reflects a broader global reality. As climate patterns shift and urbanisation accelerates, cooling demand is rising sharply across the world. In this evolving environment, Tabreed has demonstrated not only its ability to meet growing demand, but also its capacity to lead, combining scale, technical excellence and unrivalled operational expertise to deliver reliable, low-carbon cooling solutions at pace.

Looking ahead, Tabreed's vision is to be the global reference point for sustainable cooling shaping the cities of tomorrow. Through disciplined investment, digital innovation and continued portfolio optimisation, we are positioning Tabreed to capture emerging opportunities while remaining firmly anchored to our sustainability commitments.

Tabreed continues to play a pivotal role in advancing the UAE's national sustainability and economic transformation agenda. As the nation accelerates delivery under the "We the UAE 2031" vision and Abu Dhabi's Economic Vision 2030, district cooling stands out as a strategic enabler of energy-efficient, low-carbon and resilient smart cities.

This report presents a company operating with clarity of purpose and confidence in its direction – well positioned for sustained growth and long-term value creation. I look forward to sharing further milestones as we continue our journey through 2026 and beyond.



Section 2: 2025 Highlights

2025 Key Metrics	09
Transformational Transactions	10 - 11
Key Highlights	12 - 14
Shareholders' Information	15 - 17





2025 Key Metrics

Connected Capacity

1.57 m RT

of Operating Plants

99

Secured Site Capacity

2.61 m RT

New Capacity Addition

249 k RT

Consumption Volumes

2.62 bn RTh

Revenue

2.46 bn AED

EBITDA Margin

51.6 %

Net Debt to EBITDA

4.6 x

Dividend Per Share

13 AED fils

RT refers to refrigeration tons, a unit used to measure cooling capacity; RTh refers to refrigeration ton hours, a unit to measure cooling consumption



Accelerating Scale. Securing Long-term Value

ONE STRATEGY.

Palm Jebel Ali Concession

Cooling Dubai's Next Iconic Destination

Strategic partnership with Dubai Holding Investments (DHI) to deliver sustainable cooling for mega development

Structure
Tabreed: 51% / DHI: 49%

CAPEX
AED 1.5 bn

Concession Capacity
250 k RT



TWO MILESTONES.

PAL Cooling Acquisition

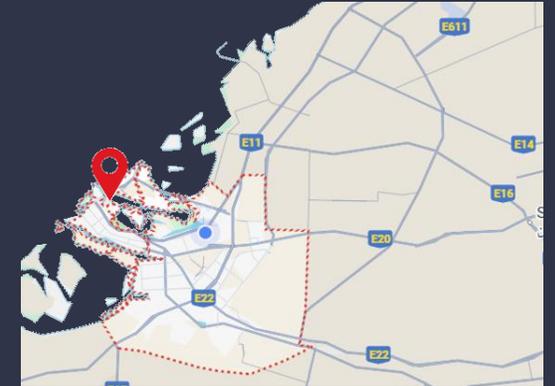
Strengthening our leadership in Abu Dhabi's Cooling Market

Largest acquisition in Tabreed's history – adding powerful growth engine to portfolio

Structure
Tabreed: 50% / CVC DIF: 50%

Enterprise Value
AED 4.1 bn

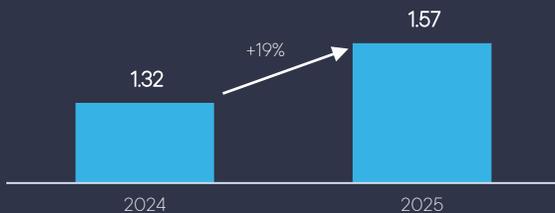
Concession Capacity
600 k RT



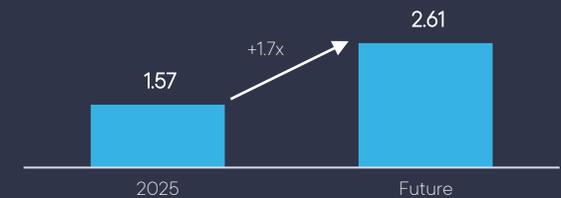
Why These Deals Matter

Both transactions reinforce Tabreed's strategy:
 Scale, Diversification, High-quality Off Takers and Long-term Cash Flow Visibility

Connected Capacity (m RT)



Capacity Outlook (m RT)





Strengthening our market position in core market of UAE while selectively expanding further in the GCC and beyond

Key Portfolio Highlights of 2025:

Group **Connected Capacity** increased by **19%** to **1.57 m RT**

Total **# of plants** increased to **99**

Record **New Capacity** of **249 k RT**

33 k RT

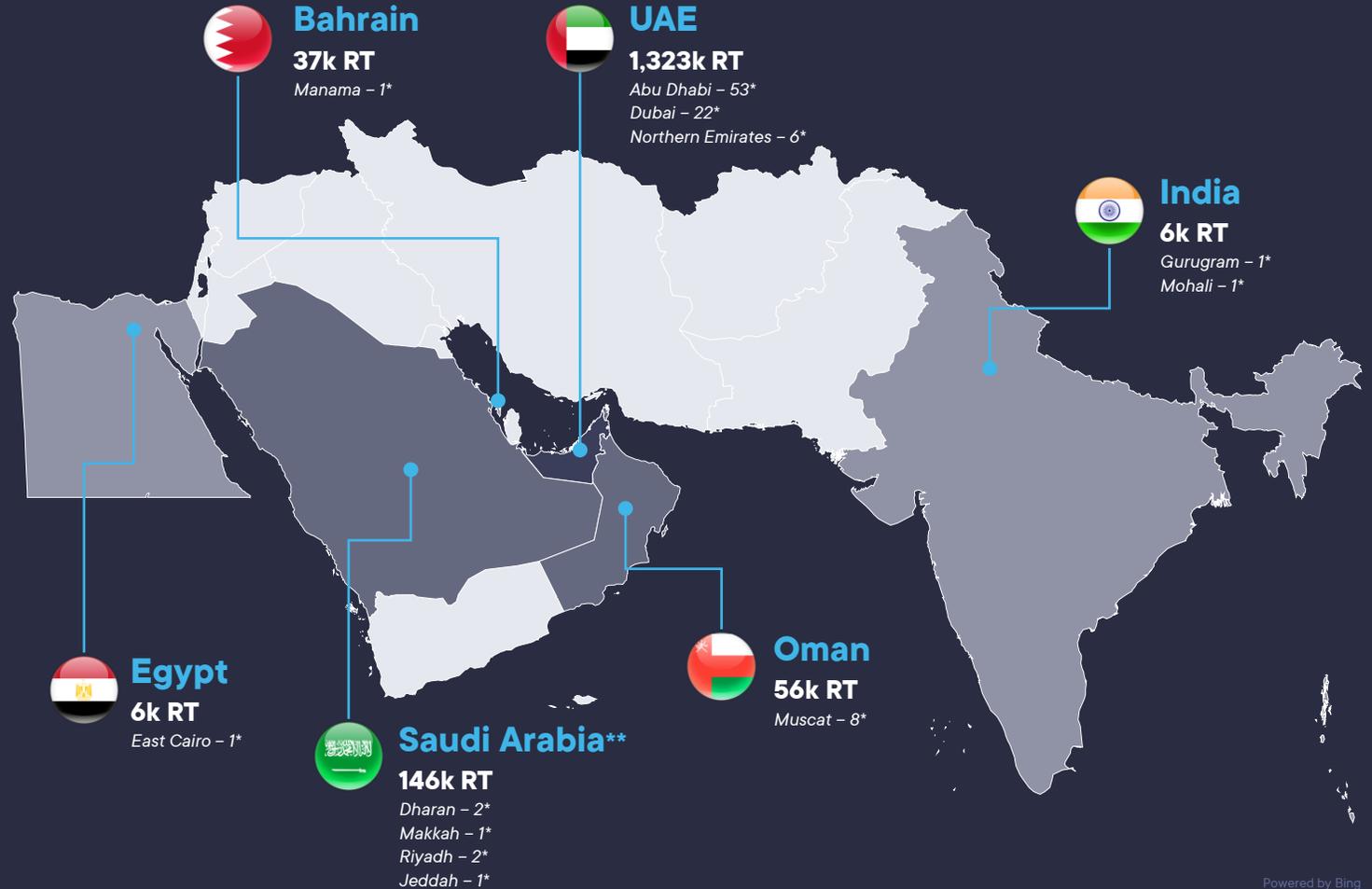
Organic Capacity added in UAE

191 k RT

Inorganic Capacity added in UAE

25 k RT

Organic Capacity added outside UAE



* Represents number of plants; ** Represents 100% of capacity, where Tabreed's share is 21.8%





FINANCIAL HIGHLIGHTS

Revenue

(AED million)



EBITDA¹

(AED million)



Normalised Net Profit²

(AED million)



Net Operating Cash Flows

(AED million)



Net Debt to EBITDA

(x)



Net Debt to Capital

(%)



Key Ratios 2025

51.6%
EBITDA Margin

21.2%
Normalised Net
Profit Margin²

8.6%
Normalised Return
on Equity²

9.9%
Free Cash Flow
Yield³

4.1%
Dividend Yield

Free Cash Flow yield and Dividend yield at a share price of AED 3.15 as on 31 December 2025 and Board recommended dividend of 13 fils for 2025

1) EBITDA is computed by the management as Operating income plus depreciation and amortization, including finance lease amortization; 2) Excluding non-recurring one-off items; 3) Excluding M&A related investment



DECARBONISATION AND ESG IMPACT



2.65 billion kWh

reduction in energy consumption in 2025



~104,000

Homes powered every year
(equivalent)

- Tabreed delivers measurable environmental impact due to its highly energy efficient district cooling services compared to alternative cooling technologies. Tabreed contributes to savings of approximately 2.6 billion kWh of energy consumption every year
- Tabreed's positive contribution to environment has consistently increased over the years, showcasing its commitment to create meaningful value for all its stakeholders

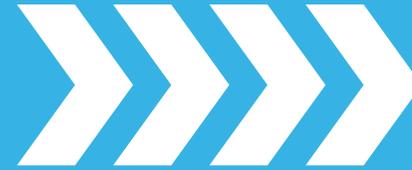
Annual reduction
in energy consumption
(In Billions of kWh)





ENERGY EFFICIENCY INITIATIVES AND RENEWABLES INTEGRATION

- Continued advancement toward Net Zero 2050 through energy efficiency initiatives, operational optimisation, and deployment of innovative cooling technologies across district cooling operations
- Emission reduction efforts remained focused on improving plant efficiency and optimising electricity consumption, while progressing initiatives that support long-term reductions in Scope 1 and Scope 2 emissions



Geothermal



700 RT

Region's first Geothermal based district cooling plant (G2COOL)

Solar



2 MW

Integrated solar power in **two** district cooling plants in Abu Dhabi

Nano-Fluids



Up to **10%** Efficiency

Deployed nano-fluid technology in **four** district cooling plants in UAE



SHARE INFORMATION (DFM: TABREED)

Ownership Structure (as of 31 December 2025)

Strategic Shareholders own 81.9% of Tabreed while 18.1% is free float

Mubadala¹

41.9%



Institutional Investors

11.9%

Engie²

40.0%



Retail Investors

6.3%

Investor Relations Contact

For queries related to share ownership, dividends or to know more about Tabreed's investment story

contact us at:



[mailto: ir@tabreed.ae](mailto:ir@tabreed.ae)



+971 2 202 0400



Tabreed IR
Website

¹Owns shares through two different entities, of which General Investments FZE owns 38.21%; ² Owns shares through entity GDF International

Shareholder and Investor Engagement

Tabreed proactively meets and handles queries from Shareholders, Investors and Analysts using various channels of communication such as conference calls, conferences, face to face and virtual meetings, press releases, emails, social media and Investor Relations section on its website.

2025 Financial Calendar





TABREED SHAREHOLDER RETURNS

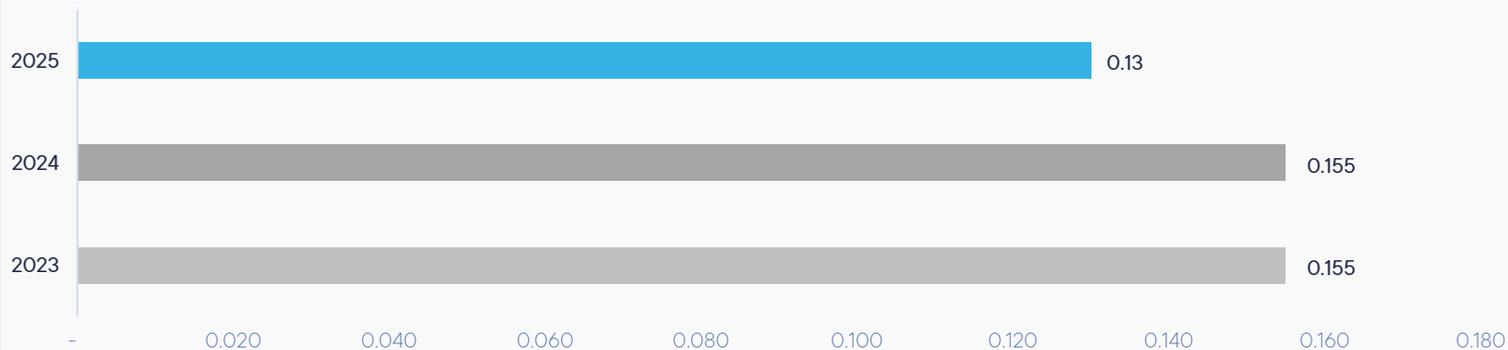
Share Price Performance

Tabreed 5-year Total Shareholder Return*: 52%



* Total Shareholder Return includes return from reinvestment of cash dividends paid

Cash Dividend Per Share (AED)



2025 Dividend as recommended by the Board and is subject to shareholders' approval during Annual General Assembly to be held on 25 March 2026

9.0 AED billion

Market Capitalisation

3.15 AED

Share Price

1.9 AED million

Average Daily Traded Value

Share Price Data as of 31 December 2025 and Trading Data for the year 2025

13.0 fils

Cash Dividend Per Share for 2025

+2.5%

CAGR in the last five years

71%

Payout Ratio on Normalised Net Profit for 2025

Final Dividend of 6.5 fils for the year 2025 to be paid in 2026 subject to shareholders' approval





TABREED: A UNIQUE INVESTMENT OPPORTUNITY

1 District Cooling Market: large, growing with strong secular tailwinds

2 Operational Excellence: 28-years track record of safety, reliability and innovation

3 Cash Flow Generation: strong, resilient and underpinned by long-term contracts

4 Growth: proven growth engine with de-risked avenues for future growth

5 Commitment to Sustainability: aligned with national objectives



Strategy and Value Creation

Market Review	19 - 25
Strategy	26 - 28
Business Model and Value Creation	29 - 30





COOLING OVERVIEW - THE FUTURE OF COOLING



“Cooling demand is rising worldwide; meeting it sustainably will define the future of energy systems and society. Efficient solutions like district cooling will be critical to keep cities livable and grids resilient.”

- Rising global temperatures, now roughly 1.5°C above pre-industrial levels, are intensifying both the frequency and severity of extreme weather events such as heatwaves. Combined with population and income growth, this is driving a rapid rise in cooling demand worldwide. It is therefore imperative that access to life-saving cooling is expanded in a sustainable and equitable way. Broader access to cooling can greatly improve the quality of life and potentially save lives. For example, the World Health Organization estimates that almost half a million deaths each year are attributable to heat. While extreme heat has long affected many emerging and developing economies, the challenge is becoming more acute, with unprecedented heatwaves now occurring even in traditionally temperate regions such as Paris (39 °C) and Seoul (37 °C).
- More specifically, driven by rising temperatures and ongoing economic development, UNEP’s Global Cooling Watch 2025 report warns that global cooling capacity could triple from 22 TW in 2022 to 68 TW by 2050. The IEA also notes that in the buildings sector, space cooling is the fastest-growing source of energy demand, increasing by nearly 4% annually to 2035, particularly in emerging economies. This trajectory would nearly double cooling-related emissions from 4.1 Gt to 7.2 Gt by 2050, even with mitigating measures such as HFC phase-downs and efficiency improvements in place, while placing additional strain on electricity grids during peak-demand periods, especially where efficient technologies are not widely deployed.
- The UNEP report underscores the critical role of sustainable cooling solutions in addressing climate and energy challenges. These include passive building design, low-energy cooling technologies, and enhanced efficiency across both new and existing systems. Collectively, such measures have the potential to reduce cooling-related emissions by up to 64% by 2050, while supporting broader access to cooling for vulnerable populations. The economic rationale is equally strong, with estimated cumulative energy savings of approximately USD 17 trillion and up to USD 26 trillion in avoided grid investments by 2050, reinforcing the strategic importance of accelerating the adoption of sustainable cooling solutions.
- These dynamics present a strong opportunity for district cooling (DC). DC provides a more sustainable and efficient alternative to conventional cooling, typically delivering 40–50% higher energy efficiency and a lower levelized cost of cooling. By enabling integration of diverse low-carbon energy sources and thermal energy storage, DC systems can significantly reduce emissions, improve overall system efficiency, and ease peak-power stress on electricity networks—reducing the need for new generation capacity and lowering both capital and operating costs.



TABREED MARKET POSITIONING

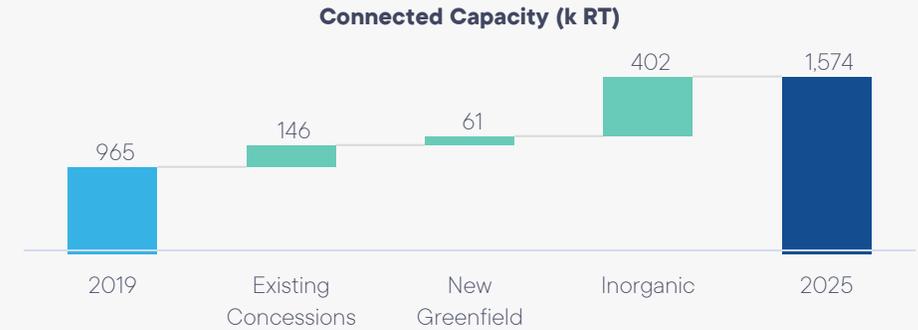
Where We Play

Headquartered in the UAE, Tabreed has built a strong domestic presence underpinned by a long and proven track record of successful district cooling projects. Leveraging this foundation and its success stories, Tabreed has expanded its operations across six countries, each with distinct market dynamics and cooling profiles. These markets are expected to add approximately 8–11 million RT of district cooling capacity by 2030, offering attractive long-term opportunities for Tabreed.



How We Succeed

Tabreed expands its footprint through a balanced approach combining organic growth, selective acquisitions, and long-term concession agreements. During the year, Tabreed entered a partnership to acquire PAL Cooling Holding, adding 190,000 RT of existing capacity with expansion potential of up to 600,000 RT. In addition, the Palm Jebel Ali concession is expected to deliver approximately 250,000 RT of new cooling capacity, supporting portfolio diversification and long-term cash flow visibility.



How We Stay Ahead

Tabreed continues to deploy advanced technologies, including Tasheel 3 VFD retrofits, nano particles, and renewable integration (e.g., geothermal district cooling plant), to enhance operational efficiency and maintain a leading industry position, while continuously evaluating new markets and developments with strong long-term cooling demand, pursuing growth in a disciplined manner aligned with long-term value creation, operational excellence, and sustainability objectives.



STRATEGIC MARKET OUTLOOK ACROSS OUR PORTFOLIO COUNTRIES



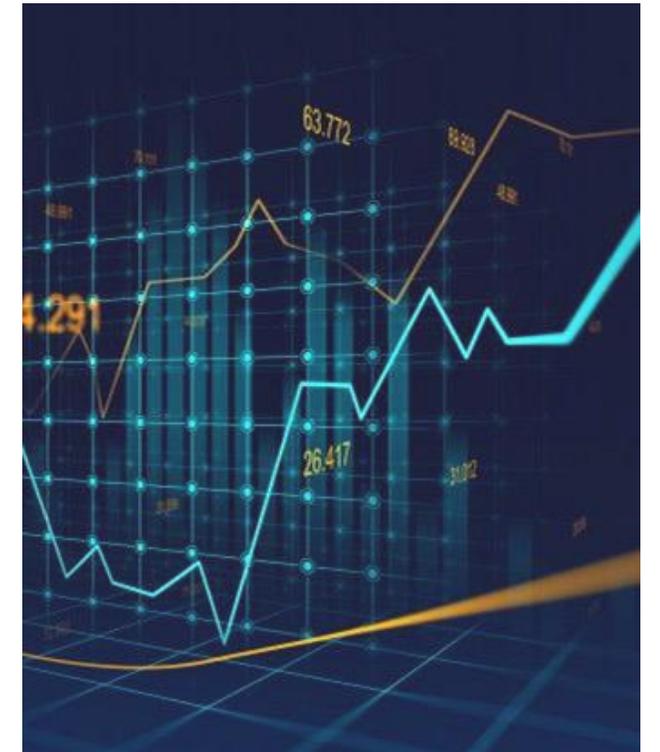
Across our portfolio countries (UAE, Bahrain, Oman, KSA, India, and Egypt), rapid urbanization, large-scale real estate and infrastructure development, and rising temperatures are driving a structural increase in cooling demand. Climate change is intensifying peak heat stress and weather volatility, exposing infrastructure, power grids, and communities to heightened vulnerability. For instance, the World Bank's Country Climate and Development Reports indicate that temperatures in Egypt are projected to rise by about 1.5–3°C by mid-century, while in Oman, cooling degree days have grown by 6.7% per year over the past two decades (IEA). Governments across these markets are increasingly aligning national visions, climate strategies, and investment agendas to strengthen resilience, accelerate decarbonization, and support sustainable urban growth. As a result, cooling is shifting from a discretionary service to critical urban infrastructure linked to climate adaptation, quality of life, and economic competitiveness.



Economic fundamentals across these markets are broadly resilient, supported by diversification, strong domestic demand, and sustained infrastructure spending, particularly across the GCC. The UAE shows continued strength, with solid fiscal buffers and broad-based non-oil growth. Oman is advancing fiscal consolidation and is poised for stronger growth as oil cuts unwind. Bahrain's economy is expanding on the back of tourism and financial services, though fiscal risks remain. Saudi Arabia benefits from a robust banking sector and Vision 2030 investments that sustain non-oil growth. Egypt's outlook has improved as inflation eases and activity strengthens in tourism and manufacturing. India continues to grow strongly, supported by moderating inflation, ongoing structural reforms, and new trade agreements.



Rising cooling demand is translating into significantly higher electricity consumption and sharper peak loads. Peak demand is highly temperature-sensitive: in India, IEA analysis shows every 1°C increase in 2024 added roughly 7 GW to peak electricity demand, while in Oman peak demand is projected to rise by about 4 percent annually through 2027, largely due to cooling needs. Governments are responding through national cooling action plans, efficiency standards, renewable energy expansion, and the promotion of sustainable cooling solutions to decouple demand growth from emissions. In the GCC, district cooling is increasingly positioned as a strategic solution for dense mixed-use developments and mega-projects aligned with national net-zero commitments. Egypt's NWFE platform mobilizes climate finance around the water–food–energy nexus, while Oman and Bahrain are advancing energy-efficient policies and technology adoption, and the UAE has adopted both a Long-term Climate Strategy and a National Climate Adaptation Plan. Overall, these trends indicate a structural acceleration in cooling demand across our markets, with increasing policy and investment alignment around efficient, low-carbon solutions.



Source: IMF, UN Environment Programme, IEA, Middle East Institute



PORTFOLIO COUNTRIES MACROECONOMICS OUTLOOK

Country	Macroeconomic Highlights ¹	GDP Growth ² %	Population Growth ² %	Urbanization Rate ²	Value Added-Construction ² (% of GDP)	Value Added-Real Estate ² (% of GDP)
 UAE	<p>The UAE continues to demonstrate strong economic resilience, supported by solid external and fiscal positions, a robust financial sector, and ongoing diversification efforts. The financial system remains sound, backed by ample capital and liquidity buffers, improved asset quality, and conservative macroprudential policies. Expanding Comprehensive Economic Partnership Agreements are further strengthening resilience and deepening diversification. Economic momentum remains broad-based. Growth is driven by a rebound in oil production as OPEC+ quotas rise and sustained expansion in non-hydrocarbon sectors such as tourism, construction, and financial services, supported by large infrastructure investments. Inflation is expected to remain low, averaging 1.6% in 2025 and settling near 2% over the medium term.</p>	5.6%	2.9%	88.2%	9.2%	5.2%
 Oman	<p>The nonhydrocarbon primary deficit is expected to narrow by around 2 percent of nonhydrocarbon GDP in 2025, supported by expenditure restraint and stronger nonhydrocarbon revenue collection. Ongoing tax-administration reforms—such as VAT e-invoicing and the planned introduction of a personal income tax on high-income earners in 2028—will further underpin fiscal sustainability. Additional steps to rationalize non-essential spending, phase out untargeted subsidies, and strengthen the medium-term fiscal and asset-liability frameworks will enhance policy credibility. Against this backdrop, Oman's economic outlook remains favorable. Growth is projected to strengthen in 2025–26 as oil production cuts unwind and nonhydrocarbon activity continues to expand. Inflation is set to remain low, converging toward 2 percent over the medium term.</p>	2.3%	4.0%	89.6%	9.1%	1.7%
 Bahrain	<p>Bahrain's economy continued to grow despite tight financial conditions and regional uncertainty, supported by refinery upgrades and strong tourism and financial services. Over the medium term, the economy is expected to expand at about 3%, with the nonhydrocarbon sector potentially accounting for nearly 90% of total activity by 2030. Meanwhile, debt levels set to rise further with absent new fiscal measures. Ongoing policy discussions include broadening the revenue base, adjusting subsidies, and strengthening the fiscal framework. Efforts to finalize upgrades to the bank resolution and crisis-prevention system are also important for maintaining financial stability. Bahrain is additionally working to deepen trade and investment ties within the GCC and expand its reach to non-GCC markets, alongside continued improvements to its business environment.</p>	2.6%	2.4%	93.6%	7.5%	1.7%

Source: 1) IMF Country Report; 2) S&P 2025 Forecasted Value



PORTFOLIO COUNTRIES MACROECONOMICS OUTLOOK

Country	Macroeconomic Highlights ¹	GDP Growth ² %	Population Growth ² %	Urbanization Rate ²	Value Added-Construction ² (% of GDP)	Value Added-Real Estate ² (% of GDP)
 Saudi Arabia	As Saudi Arabia advances its economic diversification agenda, the country continues to demonstrate strong resilience to external shocks. Inflation reached 2.2 percent in May 2025 but remains contained, supported by tight financial conditions and elevated real interest rates. The banking sector is solid, with high capital buffers, strong profitability, and non-performing loans at their lowest since 2016. Despite global uncertainty and softer commodity prices, domestic demand, anchored by government-led projects, will sustain non-oil growth above 3.5 percent over the medium term. This momentum reflects ongoing Vision 2030 investments and major international events. Real GDP is projected to strengthen to 3.9 percent by 2026 as OPEC+ production cuts are gradually phased out. Inflation is expected to stay moderate, while the current account deficit is likely to continue due to higher investment-related imports and remittance outflows.	5.2%	1.8%	85.4%	5.6%	6.0%
 Egypt	Inflation in Egypt has continued to ease, reaching a 40-month low in August. This decline reflects the impact of tight monetary and fiscal policies, the easing of foreign-exchange shortages, and the fading effects of earlier currency depreciation. We expect inflation to moderate further over the forecast period. On the growth side, Egypt's outlook has strengthened. IMF has upgraded its projections to be above 4 percent in 2025 and 4.5 percent in 2026. The improvements stem from strong momentum in non-oil manufacturing, tourism, and telecommunications—sectors that have more than offset the slowdown in Suez Canal revenues and in mining and extraction. By 2026, activity in the Suez Canal and mining sectors is expected to stabilize, while the main growth-driving sectors should continue to perform well.	4.4%	1.6%	43.4%	6.7%	2.8%
 India	India's economy continues to show strong performance. Inflation has eased significantly, helped by lower food prices, while the financial and corporate sectors remain resilient with solid capital buffers and historically low non-performing assets. Fiscal consolidation has progressed, and the current account deficit remains contained due to robust services exports. Looking ahead, India's aspiration to transition into an advanced economy will depend on continued, comprehensive structural reforms that support higher long-term growth. The near-term outlook carries both opportunities and risks. New trade agreements and faster domestic reform could lift exports, investment, and job creation. However, rising global fragmentation could tighten financial conditions, raise input costs, and weaken trade, FDI inflows, and growth.	6.3%	0.9%	37.4%	7.5%	9.4%

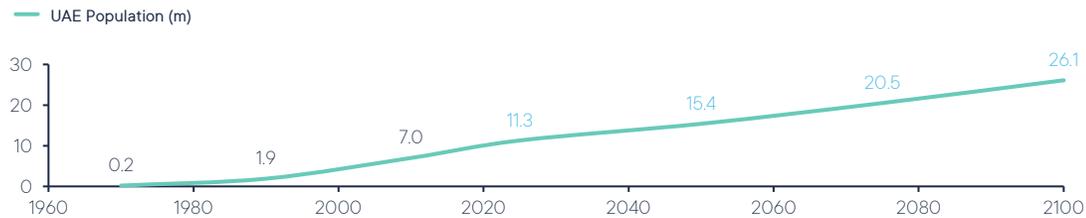
Source: 1) IMF Country Report; 2) S&P 2025 Forecasted Value



CORE MARKET DYNAMICS - UAE

Sustained Demographic Expansion

The UAE continues to experience sustained population growth driven by strong economic performance, expanding workforce demand, and ongoing non-oil sector diversification. According to the United Nations, the country's population is projected to increase by approximately 140% by the end of the century. Abu Dhabi's population currently stands at around 4.1 million, marking growth of more than 50 percent over the past decade. Likewise, Dubai's population has already exceeded 4 million as of 2025 and is targeting 5.8 million residents by 2040.



Sustained population growth in the UAE is driving continued urban development and densification, which in turn increases demand for large-scale, efficient cooling solutions. As cities densify and new urban areas are planned, district cooling becomes increasingly attractive versus stand-alone systems due to its energy efficiency, lower lifecycle costs, and environmental benefits, creating strong growth opportunities in new and expanding developments.

Long-Term Economic Vision

The UAE's "We the UAE 2031" vision seeks to double national GDP to over AED 3 trillion by the end of the decade, positioning the country among the world's leaders in proactive legislation for emerging economic sectors while enhancing government performance and advancing infrastructure in line with cutting-edge technologies. At the emirate level, the Abu Dhabi Economic Vision 2030 focuses on building an open, efficient, and globally integrated business environment supported by disciplined counter-cyclical fiscal policy and a robust financial system. With 6.2 percent real non-oil GDP growth and approximately USD 1.7 trillion in locally managed assets under administration, Abu Dhabi is increasingly establishing itself as a global "capital of capital" for institutional investors. Dubai's Economic Agenda (D33) aims to double the size of Dubai's economy over the next decade and cement its status among the world's top three cities. The D33 program comprises 100 transformational initiatives, including the commercialization of advanced technologies, the expansion of sustainable manufacturing, and the creation of new economic corridors.

The UAE's national and emirate-level economic agendas point to rising domestic and foreign investment, which in turn drives greater spending on infrastructure and large urban developments. As GDP expansion, new economic corridors, and investor inflows accelerate project activity, demand grows for efficient, large-scale cooling solutions. At the same time, the strong policy focus on innovation supports the development and adoption of advanced technologies, creating opportunities for Tabreed to both expand its footprint and continuously enhance its solutions.

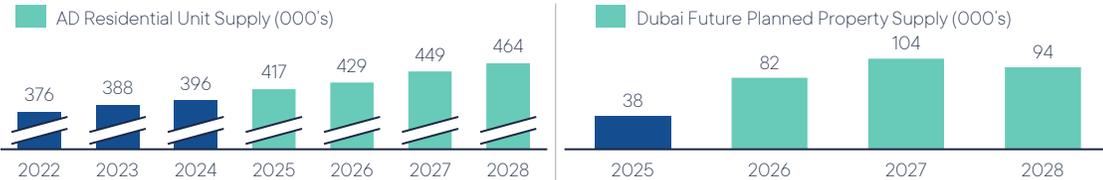
Source: S&P ; IMF; Abu Dhabi Real Estate Centre; Dubai Land Department; UN World Population Prospects (2024); UAE Federal Competitiveness and Statistics Center; Department of Culture and Tourism Abu Dhabi; UAE Government Platform



CORE MARKET DYNAMICS - UAE

Real Estate Expansion Opportunities

The UAE office market continues to experience strong and resilient occupier demand, supported by population growth, solid investor interest, and overall economic stability. Both Dubai and Abu Dhabi are seeing higher transaction activity, but limited quality space for immediate occupation continues to constrain tenants, signaling opportunities for new development. In Abu Dhabi, residential demand grew by about 6% over 2022–2025, with around 64,000 additional units anticipated by 2028, roughly 65% of which are apartments. With annual supply growth at only 4.6%, this indicates a strong real estate growth opportunity. On the other hand, Dubai’s Urban Master Plan 2040 aims to accommodate a population of 5.8 million while prioritizing sustainability, inclusivity, and mixed-use communities, with growing adoption of green buildings, energy-performance data platforms, and low-carbon materials supporting both the plan and the emirate’s net-zero goals.



Expanding real estate development across the UAE is boosting demand for efficient cooling solutions. In Abu Dhabi, much of this activity is concentrated in key areas (e.g., Yas, Saadiyat, and Al Reem island) where Tabreed already operates plants and serves customers, creating a natural platform for expansion. Across emirates, active development pipelines, residential growth, and ambitious master plans are accelerating high-density, mixed-use projects well suited to district cooling, while the focus on sustainability and net-zero goals further strengthens the growth outlook.

Strong Tourism Momentum

The UAE Tourism Strategy 2031 aims to raise tourism’s GDP contribution to AED 450 billion by positioning the country among the world’s leading destinations through increased investment and diversified offerings. Strong recent performance shows steady progress toward these goals, with the UAE ranking first regionally and 18th globally in the World Economic Forum’s 2024 Travel and Tourism Development Index. This momentum is bringing Abu Dhabi closer to attracting 39.3 million visitors annually, creating about 178,000 additional tourism jobs, expanding hotel capacity to 50,000 rooms, and contributing roughly AED 90 billion to GDP by 2030. Meanwhile, Dubai is expanding capacity while embedding sustainability in the sector: visitor numbers rose about 6% in the first half of 2025, and the “Dubai Sustainable Tourism (DST) Stamp” was launched to advance industry-wide sustainability goals and the UAE Net Zero 2050 initiative.

	2019	2024	2025(F)
International Visitor Spending in the UAE (AED bn)	166.6	217.3	228.5
Travel & Tourism GDP Contribution	11.8%	13%	12.9%

Growth in the UAE’s tourism sector is accelerating the development of entertainment districts, airports, hotels, and mixed-use destinations that require reliable, large-scale cooling. Rising visitor numbers and diversification of tourism offerings under Tourism Strategy 2031 are set to reinforce this pipeline of major attractions/projects, sustaining demand for efficient cooling infrastructure. In addition, the focus on sustainable tourism also reinforces district cooling as a low-carbon solution, creating strong opportunities for expansion and modernization.

Source: S&P ; IMF; Abu Dhabi Real Estate Centre; Dubai Land Department; UN World Population Prospects (202 4); UAE Federal Competitiveness and Statistics Center; Department of Culture and Tourism Abu Dhabi; UAE Government Platform, World Travel and Tourism Council, The Nationals





OUR STRATEGY

Tabreed's Corporate Strategy comprises 5 building blocks

Local and International Growth

Conducting capacity-building and development to improve Tabreed's organization, activities at the local and international level.



Governance and Control

Adhering to local & international laws and regulations to strengthen Tabreed's position in the Global market



Business Excellence

Carrying continuous improvement to Tabreed's approach and practices in achieving strategic goals and objectives



People

Managing human resources and employee engagement efforts strategically to ensure good working conditions and retention.



Research, Development & Innovation

Creating unique value through innovative approaches to gain a competitive advantage





OUR STRATEGIC OBJECTIVES



Local and International Growth

Achieve sustainable growth by expanding our footprint in existing markets and establishing presence in new markets



Business Excellence

Integrate top-tier HSE standards into our corporate DNA and promote a culture of HSE excellence across our operations to set a benchmark for the industry

Maximize value creation by achieving efficient & reliable operations, streamlining internal processes, and leveraging digital transformation

Build and maintain a positive brand reputation by delivering exceptional customer care and relationship management while strengthening stakeholder relationships and capabilities in key target markets



Governance and Control

Achieve a top ESG rating in the region by implementing best practices in environmental sustainability, social responsibility, and ethical governance, while complying with regulators and governmental bodies



People

Attract, develop, and retain top talent across all countries of our presence and become an employer of choice by fostering engagement and corporate culture, and delivering a superior employee experience



Research, Development and Innovation

Foster a culture of innovation and continuous improvement to drive R&D and advance innovation in the district cooling industry



KEY PERFORMANCE INDICATORS AND ACHIEVEMENTS

Strategic Pillar

How progress is measured (KPIs)

Achievements

Local and International growth



- Capacity Addition in existing and new markets (k RT)
- Market Share in key markets (%)
- EBITDA and Net Profit (AED)

- 6% Capacity CAGR and ~85k RT added per year in the last 5 years
- # 1 player in Abu Dhabi, # 2 in Dubai, Among Top players in other markets
- 6% EBITDA CAGR in the last 5 years

Business Excellence



- Lost Time Injury Frequency Rate (LTIFR)
- System Availability (%)
- Efficiency & Margins
- Customer Satisfaction Rate

- 0.0 LTIFR
- Average EBITDA Margin of 52% in the last 5 years
- Best Knowledge Award 2025
- 100% Resolution of Customer Inquiries and Complaints in 2025

Governance and Control



- Regulatory Compliance (%)
- Ethics Incidents Resolution (%)
- ESG Rating

- Mubadala Sustainability Project Award
- Strong adherence to local regulatory requirements
- MSCI ESG Rating: BB

People



- Emiratization (%)
- Employee Engagement Score
- Employee Satisfaction Rate

- 44% Emiratization Rate in 2025
- 4.2/5.0 Employee Engagement Score in 2025
- 4.4/5.0 Employee Satisfaction Score in 2025

Research, Development and Innovation

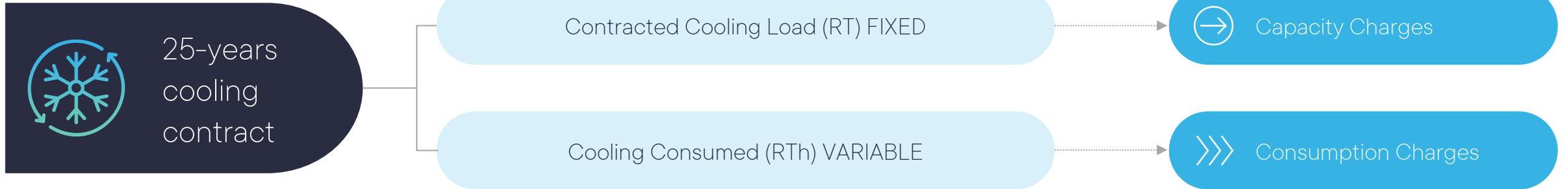


- Number of Innovative Programs Implemented
- Investment in R&D Projects

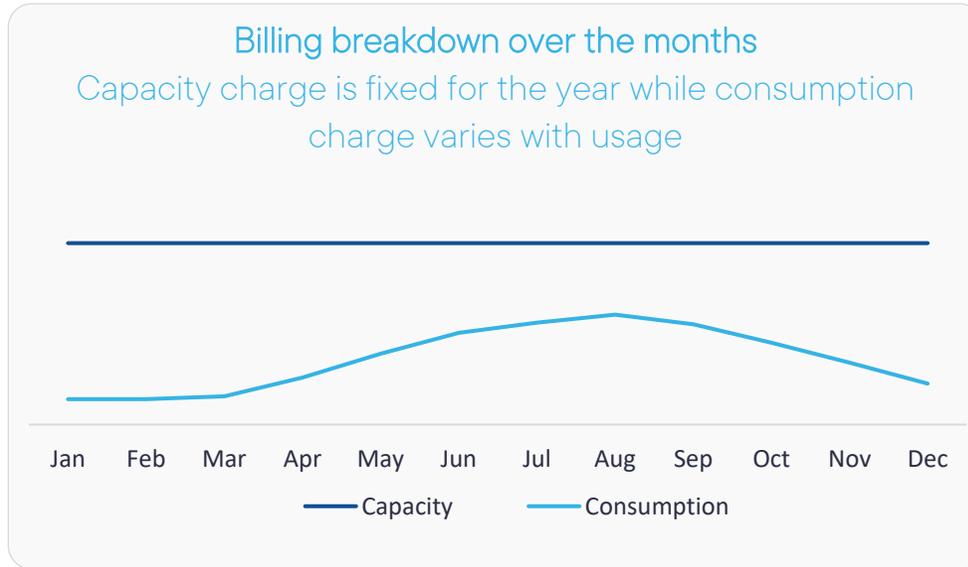
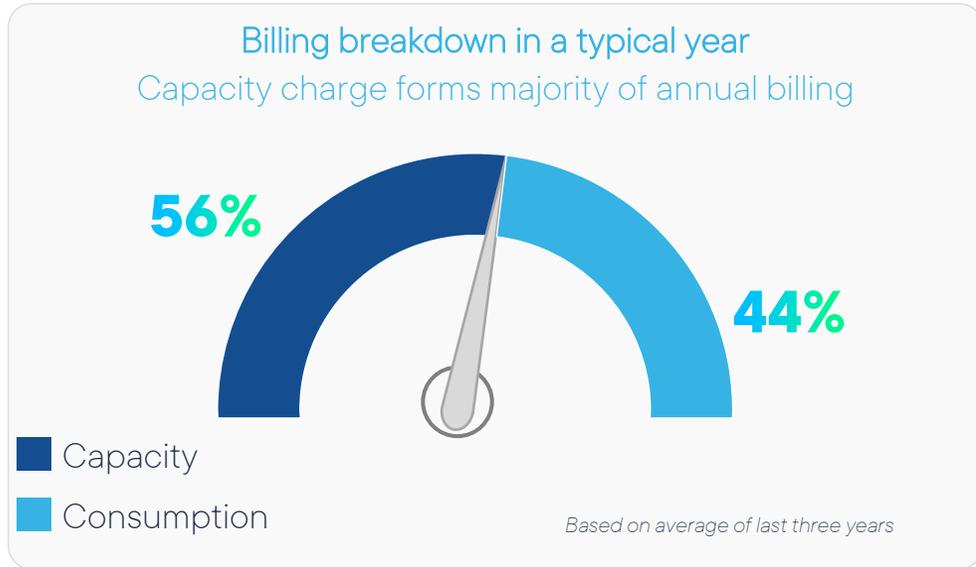
- Signed an MoU with MOEI UAE to advance efficient cooling solutions aligned with the National DSM Program
- 9 active innovation initiatives covering areas like energy efficiency, waste management, operational efficiency



OUR REVENUE MODEL



65% of our chilled water revenue comes from fully or majority owned public sectors entities and top four customers represents **53%** of our chilled water revenue, highlighting highly credit worthy profile of our customer base, which is mostly B2B in nature



Capacity charge recovers capital investment, covers fixed operating and financing costs and provides investor returns while the consumption charge covers variable utility costs



HOW WE CREATE VALUE FOR STAKEHOLDERS

Inputs	Business Activities			Impact created
<p>Financial Capital Equity: AED 6.7 bn Debt: AED 6.5 bn Total Assets: AED 14.6 bn</p> <p>Manufactured Capital # of Plants: 99 Capacity: 1.57 m RT Countries of Presence: 6</p> <p>Intellectual Capital O&M Expertise: 28 years Design methodologies, Engineering standards and operational manuals</p> <p>Human Capital Total Employees: 1,087 Emiratization: 44%</p> <p>Social & Relationship Capital ~95% of revenue: B2B customers Top 4 Customers: 53% of Revenue</p> <p>Natural Capital Electricity Consumed: 2,127 GWh Water Consumed: 19,625,195 m³</p>	<p>Design & Build Construct district cooling plants and distribution network with highest quality, safety and reliability standards</p>	<p>Operate & Maintain Efficiently operate and maintain plants & network and embed HSE excellence</p> <p>Customer Management Deliver exceptional customer care and support to unlock incremental business potential</p>	<p>Optimise & Innovate Maximise value by enhancing plant efficiency, reducing resources consumption through new technologies, AI, digital tools and optimized maintenance/procurement strategy</p>	<p> Employees We create a positive work culture and conducive working conditions. We support the physical, emotional, and professional well-being of employees.</p> <hr/> <p> Business Partners We work with clients and suppliers and foster strong relationships to deliver business value with integrity and transparency.</p> <hr/> <p> Shareholders We continue to deliver stable and healthy returns to our shareholders through sustainable growth, consistent financial performance, and responsible business practices.</p> <hr/> <p> Customers We tailor to the need of our customers and provide quality cooling services. We continue to innovate our operations to supply cooling sustainably and reliably.</p> <hr/> <p> Society We take actions that minimize negative impacts on the environment and contribute to the social well-being of our society.</p>
Outputs				
<p>Financial Revenue: AED 2,456 m EBITDA: AED 1,268 m Net Profit: AED 465 m</p>		<p>Intellectual Region's first Geothermal sourced District Cooling Plant Use of VFDs and Nano-fluids to enhance electrical efficiency Use of Sea-water and TSE to conserve freshwater Predictive maintenance, AI models for load forecasting</p>		
<p>Manufactured Cooling Produced: 2.62 bn RTH</p>		<p>Social & Relationship Strengthened strategic partnerships - long-term district cooling concessions (25+ year contracts), providing customers with reliability and stability Stakeholder Engagement - participation in multiple strategic international conferences and events Green Finance Partnerships – Issuance of USD 700m Green Sukuk</p>		
<p>Human Employee Engagement Survey: 4.2 / 5.0 Total Employee Compensation: AED 296 m</p>				
<p>Natural 2.65 bn kWh saving in energy consumption Equivalent to 104,000 homes powered every year</p>				

Value Creation Over Time

Short term: Immediate financial returns, operational improvements, and customer satisfaction **Medium term:** Enhanced technological capabilities, stronger customer relationships, and improved environmental performance **Long term:** Sustainable growth, industry leadership, and significant positive impact on society and the environment



Financial Review

CFO's Review	32
Business Review	33 - 40





CFO'S REVIEW



**Adel Salem
Al Wahedi**

CFO, Tabreed

In 2025, Tabreed delivered another year of operational strength, capacity growth and strategic expansion, while continuing to build a solid foundation for sustained long term value creation.

Tabreed reported revenue of AED 2.46 billion, reflecting a 1% increase over the prior year, supported by strong expansion in connected capacity and the stability of fixed capacity-based revenues, even as cooling consumption softened due to relatively cold weather. EBITDA also increased 1% year on year to AED 1.27 billion, with a margin of 51.6%.

Net profit for the period was AED 465 million in 2025, lower than the prior year, reflecting near term, non-structural impacts: (i) increased financing costs from the Green Sukuk issuance in Q1 2025, which refinanced previous low-rate debt and new bank facilities supporting the PAL Cooling acquisition, (ii) one-off non-recurring transaction costs related to two major transactions executed in 2025, and (iii) amortization of acquired intangible assets reflected in share of results from PAL Cooling, which is a non-cash accounting charge. These costs are temporary and directly linked to transactions that expand Tabreed's future profitability. As new capacity ramps up and new assets become fully integrated, their recurring contributions will progressively offset these temporary cost impacts, strengthening net profit trajectory in 2026 and beyond.

Operationally, 2025 marked a year of exceptional growth. Total connected capacity increased by 19% to 1.57 million RT. Tabreed added a record 249,000 RT of capacity, supported by both strong organic expansion and acquisition led growth. This reflects both strong market demand and successful execution across multiple new plants and expansions in the UAE. This growth demonstrates the strength of the company's development pipeline and sustained customer demand.

Strategically, the year was defined by significant milestones, most notably the acquisition of PAL Cooling Holding via a joint venture with CVC DIF, which added approximately 600,000 RT of high value concession capacity in Abu Dhabi, substantially enhancing Tabreed's long term revenue visibility. The company also finalised the 250,000 RT district cooling concession for Palm Jebel Ali, in partnership with Dubai Holding Investments, securing a multi decade growth opportunity in Dubai. To support these expansions and bolster its balance sheet, Tabreed raised AED 1.8 billion in new Shariah compliant financing, including AED 1.0 billion in green financing, strengthening liquidity and aligning capital structure with long term investment requirements.

Tabreed enters 2026 with a larger, more diversified portfolio, increased long-term contracted revenue and proven track record of operational excellence. These achievements reinforce Tabreed's standing as a market leader and provide a solid platform for continued progress across its regional operations.



CONNECTED CAPACITY AND VOLUMES

Consolidated	2020	2021	2022	2023	2024	2025
UAE	928	1,025	1,060	1,053	1,066	1,099
Bahrain	32	33	34	37	37	37
Oman	32	33	52	53	55	56
India	-	-	-	1	4	5.6
Egypt	-	-	-	3	4.5	6
Total Consolidated	992	1,091	1,146	1,146	1,166	1,204
Equity Accounted						
UAE	71	9	9	33	33	224
KSA	110	110	110	124	126	146
Total Equity Accounted¹	181	119	119	157	159	369
Total Capacity (k RT)	1,174	1,210	1,264	1,303	1,325	1,574
Consolidated Consumption Volumes (billion RTh)	1.72	2.12	2.35	2.52	2.66	2.62

¹ Represents 100% share of equity accounted capacity, where Tabreed's share is 50% in UAE and 21.8% in KSA



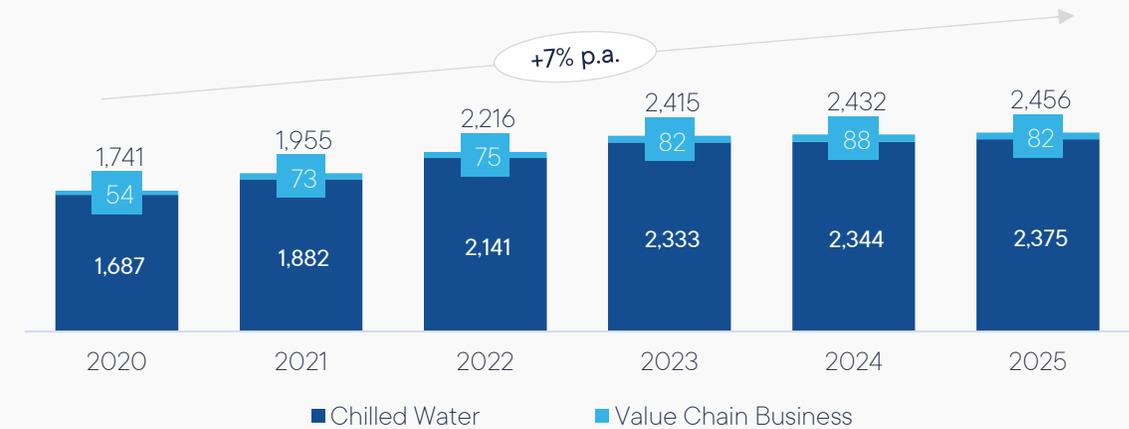
PERFORMANCE HIGHLIGHTS

Connected Capacity (k RT)



- The Group's connected capacity increased at an average growth rate of 6% p.a. over the past five years, strengthening the Company's local and regional presence.
- In the last five years, Tabreed has added around 423k RTs (including acquisitions) or addition of ~85k RT per year.
- During 2025, Tabreed continued to add capacity, delivering 249 k RTs of additional capacity, mainly driven by acquisition of PAL Cooling and strong organic expansion in the UAE.
- GCC & other countries in international markets have also contributed to the growth in connected capacity with major addition of new project in Saudi Arabia.

Revenue (AEDm)



- Group Revenue increased at a robust CAGR of 7% over 2020-25, driven by organic growth as well as large acquisitions in 2020 and 2021.
- 2025 Revenue increased by 1% compared to 2024, driven by new connections and CPI increase, partially offset by lower consumption volumes.
- Tabreed's utility-like business model with long-term contracts and credit worthy customers allows highly stable and predictable returns and resilient profitability margins.



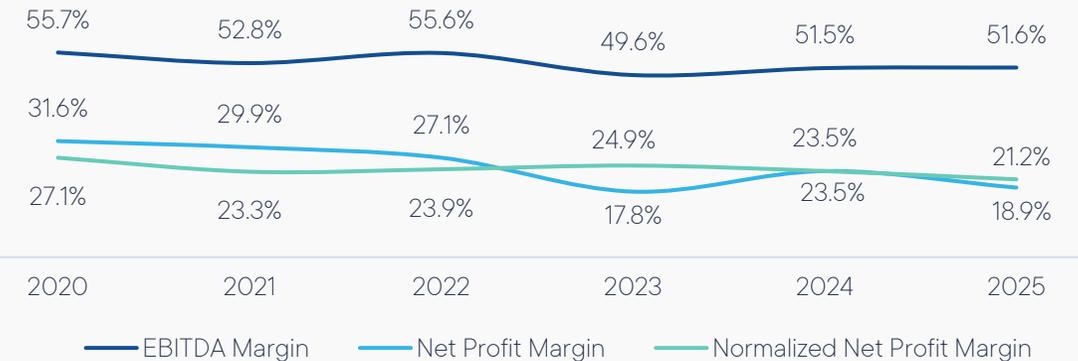
PERFORMANCE HIGHLIGHTS

Profits (AED m)



- EBITDA has grown 6% annually since 2020. This is driven by a combination of growth through acquisitions, the addition of new customer connections to the portfolio, tariff escalation as per inflation indexation and continued focus on operating efficiency and profitability.
- Net Profit trajectory was impacted by non-structural factors like introduction of corporate tax in UAE starting from 2024, higher finance cost due to refinancing of debt at prevailing market rates and upfront debt financing of growth investments as well as one-off transactions costs in 2025.
- Normalized Net Profit after Tax (adjusted for one-offs) has grown 2% annually since 2020 driven by operational growth, partially offset by higher cost of financing and new corporate tax.

Profit Margins



- Tabreed has delivered stable profit margins, demonstrating resilient business model that is protected against inflationary risks.
- Ability to effectively generate sustainable profits is evident in yearly average EBITDA margin of 52%. EBITDA margin remained robust at 51.6% in FY 2025, broadly coming in line with the Company guidance of 50-53%.
- Normalized Net Profit margin averaged around 24% over 2020-25. In 2025, Normalized Net Profit margin was impacted due to higher cost of financing on investment in growth, which should be gradually offset as new connections ramp up.



PERFORMANCE HIGHLIGHTS

Cashflows (AED m)



- Net Operating Cash Flows recorded annual growth of 10% over 2020–25 as Tabreed stepped up its focus on customer relationship management and cash collection.
- Capital expenditure of AED 1,383 million was incurred in 2025 to fuel expansion as Tabreed completed one of its largest acquisition in partnership with CVC DIF by acquiring PAL Cooling assets in Abu Dhabi. In addition, three new plants were commissioned to meet customer demand for sustainable cooling.
- Tabreed's free cash flows were negative AED 328 million in 2025 mainly due to investment in PAL Cooling. Excluding, M&A, free cash flows were robust at AED 862 million.

Return Ratios

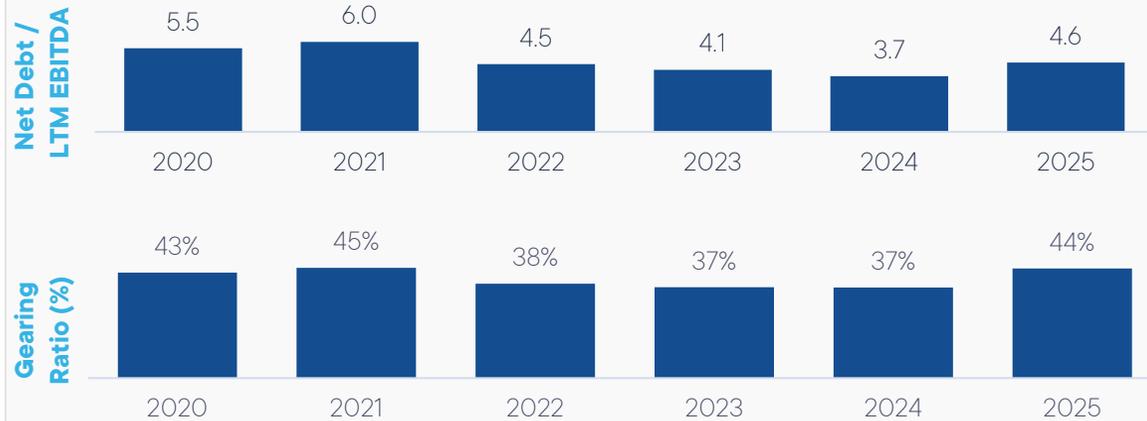


- Similar to previous cycle when Tabreed did large acquisitions in 2020/2021, there was temporary dip in return ratios in 2025 with Normalized Return on Equity (RoE) of 8.6%. This was due to upfront investment. However, returns are expected to improve as incremental profits are generated from acquired concessions.
- Tabreed has also prudently managed its capital allocation with investments funded largely by debt, which enhances returns for shareholders in the long run.



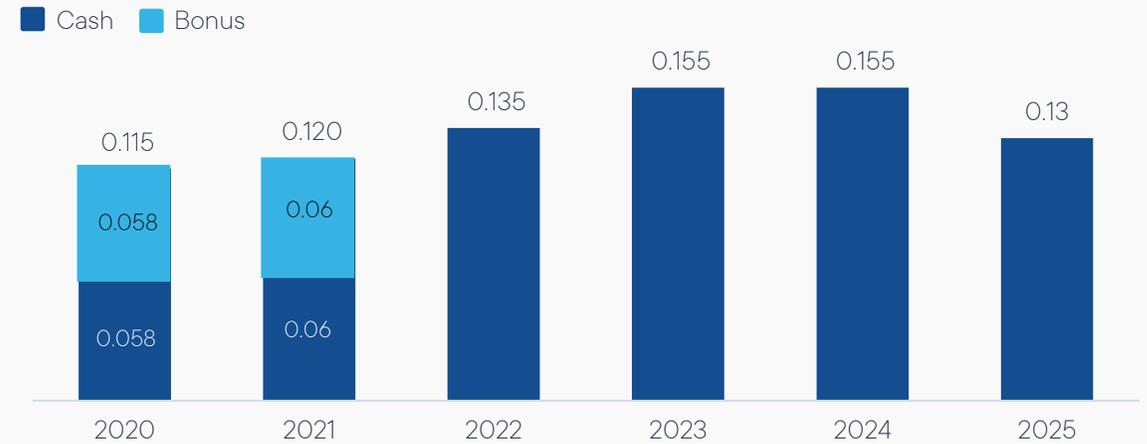
PERFORMANCE HIGHLIGHTS

Capital Structure



- Net debt to EBITDA was at 4.6x as of 31 Dec. 2025 as debt increased to fund equity investment in PAL Cooling acquisition. Overall, leverage levels remained well withing investment grade credit thresholds.
- Gearing ratio (Net Debt to Capital) also remains at optimal level, reflecting a well-balanced capital structure.
- Long-term contracts, healthy margins and cash flows visibility underpin ability to deleverage, capitalize on growth opportunities and improve shareholders' returns.

Dividend Per Share (AED)



- Dividend has grown at annual rate of 2.5% since 2020, highlighting focus on delivering steady returns to shareholders.
- For 2025, the Board has recommended a dividend of 13.0 fils per share, implying a dividend payout ratio of 71% on normalized net profit (in line with historical over 2020-2024).
- The Board and Management are committed to adopt dividend policy that aligns shareholder returns with the growth in earnings while retaining adequate cash to reinvest in expansion of the business and prudently maintain investment grade credit rating.



SEGMENTAL RESULTS

Chilled Water Business

In terms of chilled water capacity, UAE remains the largest and core market for Tabreed, accounting for 84% of connected capacity. Tabreed also has presence in Saudi Arabia, Oman, Bahrain, India, and Egypt, which together account for remaining 16% of the connected capacity.

Chilled water business accounts for 97% of the Group's total revenue. Chilled water revenues consist of fixed capacity charges and variable consumption charges. Chilled water revenue reached AED 2,375 million, driven by growth in fixed charges.

Consumption volumes decreased to 2.62 billion RTH in 2025. The decline was result of cold weather compared to 2024, thereby offsetting the impact of increased capacity.

Chilled Water Revenue



AED million	2025	2024	YoY %
Revenue	2,456	2,432	1%
Chilled Water	2,375	2,344	1%
Value Chain Business ¹	82	88	-7%
Gross Profit	1,078	1,077	0%
Chilled Water	1,038	1,031	1%
Value Chain Business ¹	40	46	-13%
EBITDA	1,268	1,252	1%
Chilled Water	1,238	1,207	3%
Value Chain Business ¹	31	45	-32%
Operating Profit	792	793	0%
Chilled Water	767	755	2%
Value Chain Business ¹	25	38	-36%

Fixed capacity charges contributed 56% of revenue during 2025 and grew by 3% based on additions to connected capacity over last 12 months and CPI indexation.

Variable consumption charges, which made up the remaining 44% of the chilled water revenue, recorded a decrease of 1% over previous year.

¹ Intercompany eliminations mostly relate to Value Chain Business and thus combined with results of Value Chain Business segment for analysis purpose



SEGMENTAL RESULTS

Growth in fixed capacity charges was partially offset by decrease in finance lease amortization, leading to lower reported growth in chilled water revenue.

Chilled water EBITDA increased by 3% compared to the last year, driven by higher revenue and tight control on costs. Chilled water operating profit also increased by 2% compared to the previous year.

Value Chain Business

Value chain business supports core Chilled Water business by providing manufactured products (pre-insulated pipes) and services (water treatment, customer billing, energy efficiency consultancy for customers).

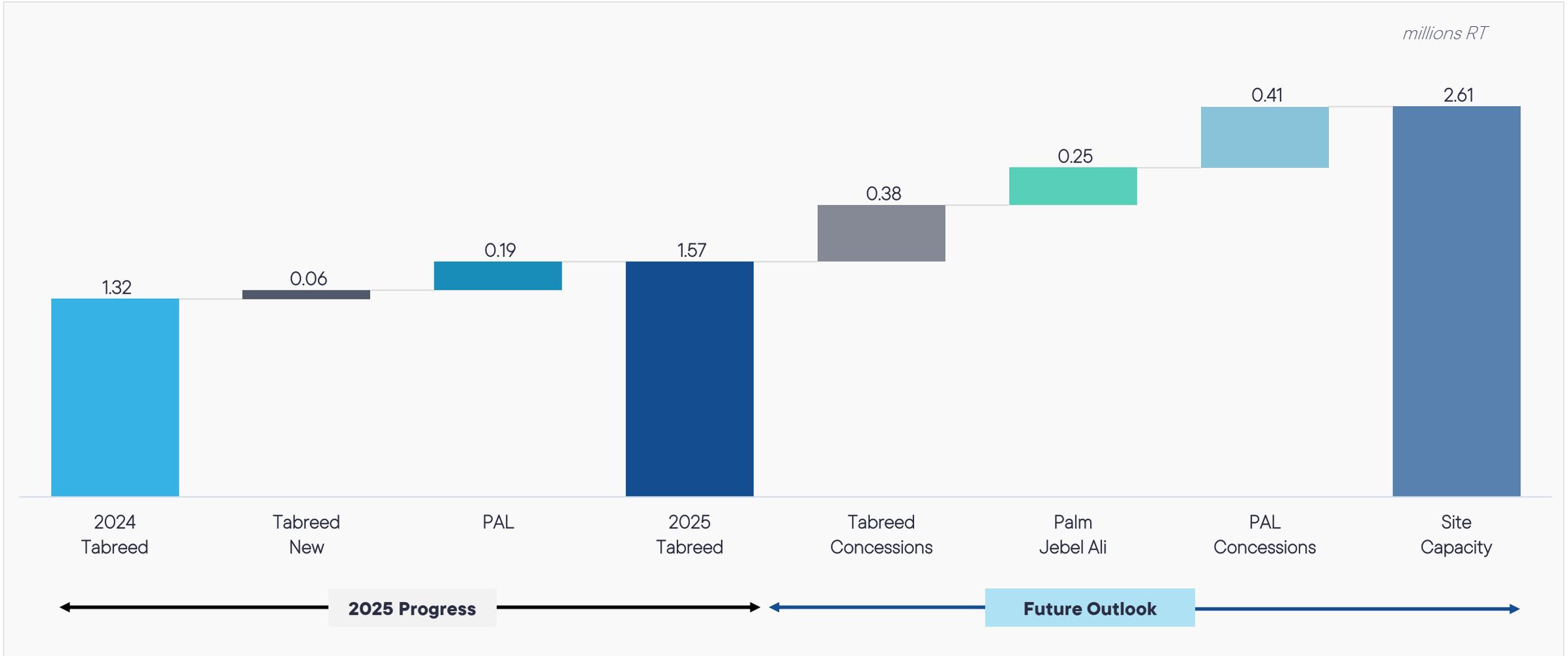
Value chain revenue reached AED 82 million, a decline of 7% versus last year due to expiry of 3rd party O&M contract.

EBITDA and operating profit of value chain business also showed decline to reflect lower revenue.

¹ Intercompany eliminations mostly relate to Value Chain Business and thus combined with results of Value Chain Business segment for analysis purpose



GROWTH OUTLOOK: SECURED CONCESSIONS OFFER STRONG FUTURE VISIBILITY



Concession Capacity is based on latest development plan from master developers



ESG PERFORMANCE

Sustainability Framework	42
Materiality	43
Sustainability Progress	44
Net Zero Principles	45
Accolades	46
ESG Performance Data	47 - 74





SUSTAINABILITY FRAMEWORK

Tabreed continues to reinforce its commitment to sustainability and climate action by further embedding Environmental, Social, and Governance (ESG) principles across its operations and long-term strategy. Building on the progress achieved to date, the Company remains focused on strengthening the integration of ESG frameworks into business practices while advancing innovative initiatives that support climate resilience and a low-carbon future. Tabreed's ESG approach remains aligned with the UAE's Net Zero 2050 ambition and internationally recognized sustainability standards, reflecting its ongoing commitment to responsible and sustainable growth.

Tabreed's ESG framework is built on three core pillars



1. Environmental Stewardship

- Persistently lower greenhouse-gas emissions and energy use by implementing efficiency upgrades, adopting new technologies, fostering innovation, and forming strategic alliances.
- Increase the deployment of treated sewage effluent (TSE) in cooling processes to safeguard freshwater supplies.
- Scale up renewable energy initiatives, including geothermal cooling and solar power solutions.



2. Social Responsibility

- Boost employee engagement by building on the already strong participation rate with focused, tailored initiatives.
- Enhance Corporate Social Responsibility efforts to meet local community needs while promoting climate resilience and sustainable development.



3. Governance Excellence

- Uphold accountability and openness by following internationally recognised ESG reporting frameworks, such as the Global Reporting Initiative (GRI).
- Utilize green-financing instruments, like Tabreed's Green Financing Framework to finance upcoming low-carbon infrastructure projects.
- Reinforce governance structures to guarantee that ESG objectives are met and that progress is continuously tracked.



MATERIALITY DRIVEN FOCUS AREAS

Materiality Matrix

Tabreed's materiality remains focused on the following priority areas, which shape its evolving ESG strategy and ensure alignment with stakeholder expectations and regulatory requirements:

- **Health, Safety and Well-being:** Cultivate a safety-first culture and enforce stringent health and safety standards across all operations.
- **Water Management:** Increase the use of treated sewage effluent (TSE) and investigate advanced water-recycling technologies to cut freshwater dependence.
- **Energy Efficiency & Optimisation:** Deploy low-carbon and innovative cooling solutions at scale to lower emissions and boost operational efficiency.
- **Climate Change Mitigation:** Strengthen infrastructure resilience, ensuring continuity of service during extreme weather events and reducing climate-related risks.
- **Employee Engagement & Development:** Enhance workforce training, inclusion initiatives, and employee satisfaction programs to sustain high engagement levels.

These focus areas guide Tabreed's ESG actions in 2025, reinforcing its commitment to responsible and sustainable operations.

Material Topics	
01	Health, Safety & Well-being
02	Employee Rights
03	Water Management
04	Energy Efficiency & Optimisation
05	Business Ethics & Corporate Governance
06	Climate Change Mitigation
07	Employee Engagement & Development
08	Customer Relations & Engagement
09	Information Disclosure
10	Innovation & Strategic Partnerships*
11	Waste Management
12	Diversity, Equity & Inclusion
13	Renewable Energy Integration*
14	Supply Chain Management & Decarbonisation*
15	Community Engagement & Development

■ Environment	■ People
■ Community	■ Business/Governance



PROGRESS ON SUSTAINABILITY JOURNEY



Environmental Achievements

- Continued advancement toward Net Zero 2050 through energy efficiency initiatives, operational optimisation, and deployment of innovative cooling technologies across district cooling operations.
- Emission reduction efforts remained focused on improving plant efficiency and optimising electricity consumption, while progressing initiatives that support long-term reductions in Scope 1 and Scope 2 emissions.
- Further progress was achieved through the deployment of innovative water management technologies, including the implementation of an advanced electrolytic water treatment system at one of Tabreed's district cooling plants, reducing cooling tower blow-down requirements, eliminating chemical usage, and improving operational efficiency while supporting sustainability objectives.
- Responsible waste management practices continued to be implemented, ensuring hazardous waste is recycled through approved contractors and aligned with regulatory requirements.
- Looking ahead, Tabreed continues to evaluate innovative low-carbon technologies and operational enhancements to strengthen environmental performance and support the UAE's climate ambitions.



Social Impact

- Tabreed continued strengthening workforce engagement through training, leadership development, and employee wellbeing initiatives aimed at enhancing capability and long-term organizational resilience.
- Progress in diversity, equity, and inclusion remained a priority, with continued focus on supporting female employee development and increasing leadership participation.
- Strong occupational health and safety performance was maintained through ISO 45001-certified management systems, proactive risk management practices, and ongoing safety training across operations.
- Community engagement remained a key focus through CSR initiatives, employee volunteering programs, and environmental awareness activities supporting local communities. In 2025, Tabreed also marked a milestone by engaging customers for the first time in a CSR initiative through a mangrove planting activity, strengthening stakeholder participation in environmental stewardship and community impact.
- Tabreed remains committed to upholding human rights, fair employment practices, and transparent grievance mechanisms, reinforcing a respectful and inclusive workplace culture.



Governance Milestones

- ESG governance continued to mature through Executive Management oversight and the ESG Committee structure, embedding sustainability considerations into strategic planning and operational decision-making.
- Sustainability disclosures remained aligned with GRI Standards and regulatory requirements for listed entities, with ongoing efforts to enhance transparency and disclosure quality.
- Supplier engagement and screening processes continued to strengthen supply chain governance through implementation of the Supplier Code of Conduct and environmental and social assessments.
- Ethics and anti-corruption practices were reinforced through compliance programs, employee awareness initiatives, and continuous monitoring mechanisms.
- Looking forward, Tabreed will continue enhancing ESG data management, internal controls, and reporting processes, supporting future assurance readiness and increased transparency in sustainability reporting.



NET ZERO COMMITMENT AND DECARBONIZATION PRINCIPLES

These principles guide Tabreed's ongoing journey toward decarbonization, ensuring sustained progress in reducing its carbon footprint and driving low-carbon solutions

Tabreed remains steadfast in its commitment to reach Net Zero by 2050, building on the decarbonisation initiatives launched in 2023. As a proud signatory of the UNEP Non-State Actor Supporters of the Global Cooling Pledge, the company continues to drive global climate action.

In 2025, Tabreed focused on advancing its six core decarbonisation principles to deliver tangible progress toward its sustainability targets:

- **Energy Efficiency & Optimisation:** Expand optimisation across district cooling networks to cut energy use and emissions further.
- **Technology Upgrades:** Retrofit district cooling systems with cutting-edge technology to boost operational efficiency and lower environmental impact.
- **Renewable Energy Integration:** Scale long-term renewable projects, including solar PV and geothermal, to power cooling infrastructure.
- **Innovation & Strategic Partnerships:** Strengthen collaborations with governments, industry, and communities to scale sustainable solutions and tackle climate challenges together.
- **Supply Chain Management & Decarbonization:** Work with suppliers to align procurement with Net Zero goals, ensuring environmentally responsible and socially responsible sourcing.
- **Compensating for Residual Emissions through Offsetting:** Expand VCS-certified projects to include new district cooling plants, enabling active participation in carbon markets.

These actions reinforce Tabreed's leadership in sustainable cooling and its role in advancing global climate objectives..



ACCOLADES

In 2025, Tabreed was recognized for its unwavering commitment to sustainability and operational excellence with several prestigious accolades:

- Best ESG Program, Extel Emerging EMEA Utilities
- Best Knowledge Management, Customer Experience Live Awards ME
- Best Supplier Relationship Initiative, ProcureTech Awards
- Best Place to Work, Gulf Sustainability Awards
- Organization of the Year for Youth Empowerment, GCC GOV HR and Youth Awards
- Excellence in Performance & Total Rewards, SHRM Star Award
- Most Honored Company, Extel Emerging EMEA Utilities

Looking Ahead

The recognition received in 2025 reflects Tabreed's continued commitment to excellence, innovation, and sustainable growth. These accolades highlight the collective efforts of its people and partners in advancing ESG leadership, operational excellence, and strong stakeholder relationships. Building on this momentum, Tabreed will continue to drive sustainable district cooling through innovation, resilience, and responsible business practices, creating long-term value for its stakeholders and the communities it serves.



ESG PERFORMANCE DATA

This section entails Tabreed's ESG performance in 2025, covering operations in UAE. The information is in compliance with DFM's updated ESG Reporting Guide, a set of 26 Metrics and 102 Indicators. Tabreed will publish its full Sustainability Report 2025 in accordance with the GRI Standards and in alignment with UN Sustainable Development Goals (SDGs) and GHG Protocol in Q2 of 2026.

Environmental Metrics	Indicators	Sub-Indicators	Unit	Tabreed 2025 Data	Corresponding Standards	Corresponding SDGs and frameworks/standards
 E1. GHG Emissions	E1.1) Total amount in CO ₂ equivalents, for Scope 1	GHG Emissions Scope 1	tCO ₂ e	42,396	GRI: 305-1, IFRS S-1, UN SDG 13	   
	E1.2) Total amount in CO ₂ equivalents, for Scope 2	GHG Emissions Scope 2 (via National Utility)	tCO ₂ e	575,288	GRI: 305-2, IFRS S-1, UN SDG 13	
	E1.3) Total amount of Scope 3 emissions	GHG Emissions Scope 3	tCO ₂ e	Tabreed is calculating relevant Scope 3 categories. The Scope 3 emissions will be made available in its 2025 ESG Report.	GRI: 305-3, IFRS S-1, UN SDG 13	
	E1.4) Please describe investments, initiatives and projects to reduce CO ₂ emissions			1. Tabreed successfully commissioned 1 MW photovoltaic (PV) plants at two district cooling plants. The solar installations fully support plant loads, enabling peak-load shaving from the grid and generating up to 1 MW of renewable power per site. The project demonstrates scalability, positioning solar integration as a replicable model across Tabreed's cooling portfolio. 2. Upgrades include motor-controlled VFDs: a medium-voltage VFD on chillers and a low-voltage VFD on pumps, enhancing energy efficiency during variable operation. A thermal energy storage tank and a geothermal plant complement the solar system, diversifying renewable sources and improving overall plant resilience. These measures collectively contribute to reduced CO ₂ emissions by optimizing energy use and leveraging clean energy. 3. Employee mobility is being transformed through shared-vehicle carpooling and the use of the Dubai Metro station, cutting transportation-related emissions. 4. A conditional assessment program on chillers began in 2025, focusing on the inspection and replacement of vulnerable components to prevent refrigerant leakage, thereby mitigating potential greenhouse gas releases.	IFRS S-1, UN SDG 13	
 E2. Emissions Intensity	E2. 1) GHG emissions intensity	Total GHG Emissions/ Refrigeration ton-hour production	Kg CO ₂ e/Ton-Hr Refrigeration Produced	0.2397	GRI: 305-4, IFRS S-1, UN SDG 13	
	E2. 2) Non-GHG emissions intensity	Total non-GHG Emissions/ Production Units		-	GRI: 305-7, IFRS S-1, UN SDG 13	



ESG PERFORMANCE DATA

Environmental Metrics	Indicators	Sub-Indicators	Unit	Tabreed 2025 Data	Corresponding Standards	Corresponding SDGs and frameworks/standards
 E3. Energy Usage	E3.1) Total amount of direct energy consumed	Petrol	Litres	1,009,155	GRI: 302-1,2, UN SDG 12	 
		Diesel	Litres	6,619		
		Natural Gas	m ³	2,599,657		
	E3.2) Total amount of indirect energy consumed	Electricity (via National Utility)	kWh	2,097,650,874		
Internally generated electricity (via Natural Gas)		kWh	29,325,500			
 E4. Energy Intensity	E4.1) Direct energy use intensity	Total direct energy consumption/ Refrigeration ton-hour production	MJ/Refrigeration ton-hour production	0.05	GRI: 302-1, UN SDG 7,12	  
	E4.2) Total indirect energy usage per output scaling factor	Total indirect energy consumption/ Refrigeration ton-hour production	MJ/Refrigeration ton-hour production	2.93		



ESG PERFORMANCE DATA

Environmental Metrics	Indicators	Unit	Tabreed 2025 Data	Corresponding Standards	Corresponding SDGs and other frameworks/standards
 E4. Energy Intensity	E4.3) Please describe investments, initiatives and projects to reduce energy consumption and to increase energy efficiency	-	Tabreed's 2025 energy initiatives in the UAE showcase significant progress in reducing consumption and enhancing efficiency. In 2025, the company retrofitted MV chillers and LV pumps, implemented thermal energy storage tanks for demand response, operated a geothermal plant, installed solar panels for plant auxiliaries, and upgraded chilled water management systems. The Maxwell Technology heat-transfer fluid was deployed across three district cooling plants in Dubai, achieving an average EER improvement of 9.3% over a 90-day summer period, aligning with the 9% improvement observed in the 2023 pilot at one of its plant. Additionally, the LV VFD project replaced two condenser pump motors with VFD motors, further lowering energy use. These actions collectively demonstrate Tabreed's commitment to energy efficiency, delivering measurable cost savings, reduced carbon emissions, and reinforcing its sustainability goals.	UN SDG 7,12	  
 E5. Energy Mix	E5.1) Renewable energy used	GJ, MWh or %	32,661,042 GJ	GRI: 302-1, UN SDG 7	
	E5.2) Non-renewable energy used	GJ, MWh or %	Petrol - 0.457% Diesel - 0.003% Natural Gas - 1.339% Electricity (via National Utility) - 98.201%		
 E6. Water and Effluents	E6.1) Total amount of water withdrawn	m3	2,120,485	GRI: 303-3, UN SDG 6,12	   
	E6.2) Total amount of water discharged	m3	824,033		



ESG PERFORMANCE DATA

Environmental Metrics	Indicators	Unit	Tabreed 2025 Data	Corresponding Standards	Corresponding SDGs and frameworks/standards
 E6. Water and Effluents	E6.3) Total amount of water consumed (if possible, a breakdown by source)	m ³	19,625,195	GRI: 303-5, UN SDG 6,12	
	E6.4) Water intensity	m3 water consumed/ Refrigeration ton hour production	0.0076		
	E6.5) Water recycled (if applicable)	m ³	1,296,452	UN SDG 6,12	
	E6.6) Please describe investments, initiatives and projects to reduce water consumption and to increase water recycling	-	Tabreed's 2025 environmental initiatives achieved a 20 % increase in water efficiency through targeted upgrades and maintenance of UAE water systems, including treated sewage effluent reuse and a seawater plant in Bahrain. The deployment of the ECOMax-CT® electrolytic water treatment system at the one of its District Cooling Plant has already demonstrated a 50–80 % reduction in cooling tower blow-down, elimination of chemical usage, and improved scale and corrosion control, thereby lowering OPEX and aligning with sustainability goals.	UN SDG 6,12	



ESG PERFORMANCE DATA

Environmental Metrics	Indicators	Unit	Tabreed 2025 Data	Corresponding Standards	Corresponding SDGs and frameworks/standards
 E7. Waste	E7.1) Total amount of waste generated (if possible, broken down by hazardous and non-hazardous)	Tonnes	Hazardous waste: 28,002 pieces of empty cans, 38,002 liters of waste oil and 1,476 batteries. Non-hazardous waste: 76 tonnes	GRI: 306-3, UN SDG 12	
	E7.2) Total amount of waste diverted from disposal (if possible, broken down by hazardous and non-hazardous)	Tonnes	Hazardous waste: 28,002 pieces of empty cans, 38,002 liters of waste oil and 1,476 batteries. These hazardous wastes were recycled through approved contractors.	GRI: 306-4, UN SDG 12	
	E7.3) Total amount of waste directed to disposal (if possible, broken down by hazardous and non-hazardous)	Tonnes	Non-hazardous waste: 76 tonnes	GRI: 306-5, UN SDG 12	
	E7.4) Total number and volume of oil spills (if applicable)	Number or Tonnes	Not applicable	GRI: 11 Oil and Gas Sector, UN SDG 14-15	
	E7.5) Please describe investments, initiatives and projects implemented in the year 2025 to reduce waste generation consumption and to increase waste recycling	-	All generated hazardous waste is recycled through municipality-approved contractors.		



ESG PERFORMANCE DATA

Environmental Metrics	Indicators	Unit	Tabreed 2025 Data	Corresponding Standards	Corresponding SDGs and frameworks/standards
 E8. Environmental Management	E8.1) Does your company follow a formal Environmental Policy?	Yes/No	Yes, Tabreed has an Environmental Policy	GRI: 23-2	 
	E8.2) Does your company follow specific waste, water, energy, and/or recycling policies?	Yes/No	Yes, Tabreed's integrated management system (IMS) prioritizes and addresses all environment-related areas, including waste, water, energy, and recycling.	GRI: 24-2	
	E8.3) Does your company adopt a recognized environment and energy management systems such as ISO 14001 and ISO 50001?	Yes/No	Yes, Tabreed is certified to both ISO 14001 and ISO 50001.		
	E8.4) Does your company have targets in place with regards to environment, energy, water and waste?	Yes/No	Yes, Tabreed has established Key Performance Indicators (KPIs) across all plant rooms to optimize power and water consumption. In parallel, they continue to explore and invest in innovative solutions that enhance operational efficiency and support sustainable improvements across their facilities.		
	E8.5) Please indicate if any fines received (> USD 10000) for non-compliance with laws and regulations regarding environmental management during the last reporting period	Yes/No	No	GRI: 27-2	



ESG PERFORMANCE DATA

Environmental Metrics	Indicators	Unit	Tabreed 2025 Data	Corresponding Standards	Corresponding SDGs and frameworks/standards
 <p>E9. Climate Risks, Opportunities and Governance</p>	<p>E9.1) Please describe the climate-related risks and opportunities that could reasonably be expected to affect your company's prospects. Also explain, for each climate-related risk your organization has identified whether your organization considers the risk to be a climate-related physical risk or transition risk.</p>	<p>-</p>	<p>Tabreed recognises that climate-related risks may affect operational performance and long-term prospects. These risks are managed through sustainability governance, operational efficiency initiatives, and regulatory compliance.</p> <p>Physical risks relate primarily to rising temperatures and increased cooling demand, which may impact plant efficiency and operations. Tabreed mitigates these risks through energy efficiency initiatives, system optimisation, and infrastructure upgrades.</p> <p>Transition risks arise from evolving climate regulations, national decarbonisation targets, and increasing disclosure expectations. Tabreed monitors regulatory developments and aligns its operations with applicable climate-related requirements.</p> <p>Climate change creates growth opportunities as demand increases for low-carbon cooling infrastructure. Tabreed is positioned to benefit through district cooling expansion, renewable energy integration, digital optimisation, and strategic partnerships supporting sustainable urban development.</p>	<p>IFRS S-2</p>	   



ESG PERFORMANCE DATA

Environmental Metrics	Indicators	Unit	Tabreed 2025 Data	Corresponding Standards	Corresponding SDGs and frameworks/standards
 <p>E9. Climate Risks, Opportunities and Governance</p>	<p>E9.2) Please describe the current and anticipated impacts of climate-related risks and opportunities on your company's business model and value chain.</p>	<p>-</p>	<p>Climate-related risks and opportunities influence Tabreed's business model and value chain primarily through operational efficiency, cost management, and market demand. Rising temperatures and increased cooling demand may affect energy consumption and operating costs; however, Tabreed's district cooling model mitigates these impacts through efficient plant design, optimisation initiatives, and renewable energy integration. Transition-related factors, including evolving climate regulations and stakeholder expectations, may influence compliance requirements and capital planning, which Tabreed manages through regulatory alignment and enhanced emissions management. Across the value chain, climate considerations inform procurement and supplier engagement through sustainability screening, local sourcing, and supplier governance, while downstream demand for reliable, low-carbon cooling solutions presents growth opportunities. Overall, climate change reinforces the relevance of district cooling as an energy-efficient solution, supporting long-term resilience and value creation.</p>	<p>IFRS S-2</p>	   



ESG PERFORMANCE DATA

Environmental Metrics	Indicators	Unit	Tabreed 2025 Data	Corresponding Standards	Corresponding SDGs and frameworks/standards
 <p>E9. Climate Risks, Opportunities and Governance</p>	E9.3) How has your company responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including the plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation?	-	Tabreed has responded to climate-related risks and opportunities by integrating sustainability and climate considerations into its corporate strategy, governance, and decision-making processes. Climate matters are overseen through the ESG Committee, ensuring alignment with operational priorities and regulatory requirements. The Company manages climate-related risks through energy efficiency initiatives, technology upgrades, renewable energy integration, and resilient asset management, while pursuing opportunities arising from growing demand for low-carbon cooling solutions through innovation and strategic partnerships. Tabreed aligns its sustainability approach with national climate objectives, including the UAE Net Zero by 2050 initiative, and complies with applicable climate-related laws and disclosure requirements, while continuing to strengthen emissions management and long-term decarbonisation planning.	IFRS S-2	
	E9.4) What are the current effects, during the reporting period, of climate-related risks and opportunities on your company's financial position, financial performance and cash flows?	-	Climate-related risks and opportunities influenced Tabreed's financial performance primarily through operational efficiency and capital allocation rather than material adverse financial impacts. Rising cooling demand and energy consumption were managed through energy efficiency initiatives, technology upgrades, and renewable energy integration, supporting cost control and stable operating performance. Investments in efficiency, innovation, and low-carbon technologies contributed to optimised asset performance and long-term value creation, while compliance with climate-related regulations and disclosure requirements did not result in material financial or cash flow disruptions. Overall, climate-related opportunities associated with demand for energy-efficient district cooling supported the resilience of Tabreed's business model and cash flows during the reporting period.		
	E9.5) Please describe the processes and policies your company uses to identify, assess, prioritize, and monitor climate related risks, and the inputs and parameters used in these processes.	-	Tabreed identifies, assesses, prioritises, and monitors climate-related risks through its established ESG governance and enterprise risk management processes. Climate-related risks are identified through periodic materiality assessments, stakeholder engagement, regulatory monitoring, and operational risk reviews. These risks are assessed and prioritised based on their potential impact on operations, regulatory compliance, asset performance, and long-term business resilience. Oversight is provided by the ESG Committee, supported by dedicated Environmental, Social, and Governance sub-committees. Climate-related risks are monitored through performance metrics, emissions data, energy efficiency indicators, compliance reporting, and regular management reviews, ensuring climate risks are systematically integrated into decision-making and ongoing risk management.		



ESG PERFORMANCE DATA

Environmental Metrics	Indicators	Unit	Tabreed 2025 Data	Corresponding Standards	Corresponding SDGs and frameworks/standards
 E9. Climate Risks, Opportunities and Governance	E9.6) Please indicate if and how your company uses climate-related scenario analysis to identify and assess climate-related risks.	-	Tabreed did not apply formal climate-related scenario analysis to identify or assess climate-related risks. As disclosed in the 2024 ESG Report, climate-related risks are currently identified and assessed through materiality assessments, operational risk reviews, regulatory monitoring, and sustainability governance processes rather than through quantitative or scenario-based climate modelling. Oversight of climate-related matters is provided through the ESG Committee, with risks managed through operational controls, energy efficiency initiatives, emissions management, and alignment with applicable regulatory and national climate objectives. Tabreed continues to strengthen its climate risk management approach in line with evolving regulatory expectations and best practices.	IFRS S-2	
	E9.7) Which governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) is responsible for oversight of climate-related risks and opportunities?	-	Oversight of climate-related risks and opportunities at Tabreed is exercised through its established ESG governance framework. The Executive Management Team holds overall responsibility for environmental, social, and governance matters, including climate-related risks and opportunities. This oversight is formalised through the ESG Committee , which is led by the Chief Executive Officer and includes senior executives and 3 additional members. The ESG Committee is supported by dedicated Environmental, Social, and Governance sub-committees , which provide subject-matter input and support implementation. This governance structure ensures that climate-related considerations are reviewed at senior management level and integrated into strategic planning, operational decision-making, and regulatory compliance processes.	IFRS S-2	
	E9.8) How does the body or individual consider climate-related risks and opportunities when overseeing your company's strategy?	-	The Executive Management Team and ESG Committee consider climate-related risks and opportunities as part of the Company's strategic oversight and decision-making processes. Climate considerations are reviewed in the context of sustainability strategy, operational performance, regulatory compliance, and long-term business resilience. These considerations inform priorities related to energy efficiency, technology upgrades, renewable energy integration, capital investment, and risk management. Through regular reviews and management reporting, climate-related matters are integrated into strategic planning and aligned with national climate objectives and applicable regulatory requirements.	GRI 2:12, IFRS S-2	
	E9.9) Are performance metrics related to climate targets included in remuneration policies? If so, how?	-	Specific climate-related performance metrics were not disclosed as being directly linked to individual remuneration policies. However, overall bonus outcomes are determined based on the Company's performance rating, which reflects achievement against corporate objectives, including ESG-related priorities. While climate-related targets are not separately disclosed as standalone remuneration metrics, sustainability performance forms part of the broader performance framework used to assess company results and incentive outcomes.	IFRS S-2	



ESG PERFORMANCE DATA

Environmental Metrics	Indicators	Unit	Tabreed 2025 Data	Corresponding Standards	Corresponding SDGs and frameworks/standards
 E9. Climate Risks, Opportunities and Governance	E9.10) Has your company delegated the role of overseeing climate-related risks and opportunities to a specific management-level position or committee, and how is oversight over this role or committee exercised?	Yes/No	Yes. Oversight of climate-related risks and opportunities is delegated to the ESG Committee , which operates at management level and is chaired by the Chief Executive Officer . The ESG Committee comprises senior executives, including the Chief Financial Officer, Chief Operating Officer, Chief Development Officer, Chief Asset Management Officer, Chief Legal Counsel, and three additional members, and is supported by dedicated Environmental, Social, and Governance sub-committees. Oversight of this role is exercised through regular management reviews, performance monitoring against ESG objectives, and reporting through established governance and corporate performance processes. This structure ensures that climate-related considerations are integrated into strategic planning, operational decision-making, and regulatory compliance, with accountability maintained at senior management level.	IFRS S-2	 
	E9.11) Please disclose any quantitative and qualitative climate-related targets to monitor progress towards strategic goals, incl. any GHG emissions targets and specify the metric used to set the target.	-	Tabreed monitors progress toward its climate and sustainability objectives through a combination of quantitative and qualitative targets. Quantitative metrics include Scope 1, 2 & 3 GHG emissions, emissions intensity, energy consumption, and energy intensity and measured using operational and energy data from district cooling plants. Qualitative targets focus on refinement of the decarbonisation and ESG roadmap, renewable energy integration, technology upgrades, and alignment with national climate objectives, including the UAE Net Zero by 2050 initiative. Progress is overseen through management reviews and ESG-related KPIs embedded in the Company's corporate scorecard.	IFRS S-2	 
 E10. Biodiversity	E10.1) Please share number of operational sites owned, managed and/or leased in or adjacent to protected areas and areas of high biodiversity value.	-	Not Applicable	GRI: 304-1, UN SDG 15	
	E10.2) Please describe significant impacts of activities, products and services on biodiversity	-	Tabreed's activities, products, and services have limited direct impact on biodiversity, as its district cooling operations are primarily located within urban and industrial areas rather than ecologically sensitive locations. Potential environmental impacts are mainly indirect and relate to energy use, water consumption, and waste generation associated with plant operations. These impacts are managed through established environmental management systems, regulatory permitting, and compliance processes, including measures to improve energy efficiency, optimise water use, reduce waste sent to landfill, and minimise emissions. Through its energy-efficient cooling solutions, Tabreed also contributes positively by reducing overall electricity demand and associated emissions compared to conventional cooling systems, thereby supporting broader environmental protection objectives.	GRI: 304-2, UN SDG 15	

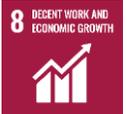


ESG PERFORMANCE DATA

Social Metrics	Indicators	Sub-Indicators	Unit	Tabreed 2025 Data	Corresponding Standards	Corresponding SDGs and frameworks/standards
 S1. CEO Pay Ratio	S1.1) Please share the ratio of CEO total compensation to median full-time employee (FTE) total compensation		i.e. 1:1 or 1:1.8 or 1:7.5	1: 0.048	GRI 2: 21, UN SDG 10	
	S1.2) Does your company report this metric in regulatory filings?		Yes/No	Yes		
 S2. Breakdown with Staff	S2.1) Please share the total enterprise headcount held by full-time employees (broken down by, gender, age and seniority level)	Total	Number	849	GRI 2:7, UN SDG 5	  
		Male	Number & %	766 (90%)		
		Female	Number & %	83 (10%)		
		Employees aged under 30 years	Number & %	49 (6%)		
		Employees aged between 30-50 years	Number & %	612 (72%)		
		Employees aged above 50 years	Number & %	188 (22%)		
		Employees from Staff	Number & %	707 (83.2%)		
		Employees from Middle Management	Number & %	106 (12.5%)		
		Employees from Senior Management & Executives	Number & %	36 (4.3%)		



ESG PERFORMANCE DATA

Social Metrics	Indicators	Sub-Indicators	Unit	Tabreed 2025 Data	Corresponding Standards	Corresponding SDGs and frameworks/standards
 <p>S2. Breakdown with Staff</p>	<p>S2.2) Please share the total enterprise headcount held by *temporary employees (broken down by, gender, age and seniority level)</p> <p><i>*Tabreed has no separate category for part-time employees, but it has two broad categories of full time and temporary employees. Temporary employees are represented by contractors and/or consultants</i></p>	Male	Number and %	238 (96%)	GRI 2: 7, UN SDG 5	  
		Female	Number and %	11 (4%)		
		Employees aged under 30 years	Number and %	50 (20%)		
		Employees aged between 30-50 years	Number and %	189 (76%)		
		Employees aged above 50 years	Number and %	10 (4%)		
		Employees from Staff	Number and %	249 (100%)		
		Employees from Middle Management	Number and %	0		
		Employees from Senior Management & Executives	Number and %	0		
	S2.3) Please share the total enterprise headcount held by contractors and/or consultants	Number	249	GRI 2: 8, UN SDG 5		



ESG PERFORMANCE DATA

Social Metrics	Indicators	Sub-Indicators	Unit	Tabreed 2025 Data	Corresponding Standards	Corresponding SDGs and frameworks/standards
 S2. Breakdown with Staff	S2.4) Please share the total of national employees (broken down by, gender, age and seniority level)	Male	Number and %	54 (54%)	GRI: 202-2, UN SDG 5	  
		Female	Number and %	46 (46%)		
		Employees aged under 30 years	Number and %	35 (35%)		
		Employees aged between 30-50 years	Number and %	59 (59%)		
		Employees aged above 50 years	Number and %	6 (6%)		
		Employees from Staff	Number and %	67 (67%)		
		Employees from Middle Management	Number and %	22 (22%)		
		Employees from Senior Management & Executives	Number and %	11 (11%)		



ESG PERFORMANCE DATA

Social Metrics	Indicators	Sub-Indicators	Unit	Tabreed 2025 Data	Corresponding Standards	Corresponding SDGs and frameworks/standards
 S3. Employee Turnover and New Hires	S3.1) Year-over-year change for full-time employees (broken down by gender, age, and seniority level)	Male	Number and %	78 (9%)	GRI 401-1	
		Female	Number and %	10 (1%)		
		Employees aged under 30 years	Number and %	6 (0.7%)		
		Employees aged between 30-50 years	Number and %	58 (6.6%)		
		Employees aged above 50 years	Number and %	24 (2.7%)		
		Employees from Staff	Number and %	74 (8.4%)		
		Employees from Middle Management	Number and %	11 (1.3%)		
		Employees from Senior Management & Executives	Number and %	3 (0.3%)		
	S3.2) Year-over-year change for part-time employees	Number and %	Not applicable. Tabreed has no separate category for part-time employees.		GRI 401-1	



ESG PERFORMANCE DATA

Social Metrics	Indicators	Sub-Indicators	Unit	Tabreed 2025 Data	Corresponding Standards	Corresponding SDGs and frameworks/standards
 S3. Employee Turnover and New Hires	S3.3) Year-over-year change for contractors and/or consultants		Number and %	47 (19%)	GRI 2-8	
	S3.4) Year-over-year of new hires (broken down by age, gender and seniority level)	Total	Number	34	GRI 401-1	
		Male	Number & %	22 (2.5%)		
		Female	Number & %	12 (1.4%)		
		Employees aged under 30 years	Number & %	13 (1.5%)		
		Employees aged between 30-50 years	Number & %	21 (2.4%)		
		Employees aged above 50 years	Number & %	0 (0%)		
		Employees from Staff	Number & %	25 (2.9%)		
		Employees from Middle Management	Number & %	8 (0.9%)		
Employees from Senior Management & Executives	Number & %	1 (0.1%)				



ESG PERFORMANCE DATA

Social Metrics	Indicators	Sub-Indicators	Unit	Tabreed 2025 Data	Corresponding Standards	Corresponding SDGs and frameworks/standards	
 S4. Gender Diversity and Equality	S4.1) Total enterprise headcount held by men and women	Male	Number and %	1004 (91%)	GRI 2-9		
		Female	Number and %	94 (9%)			
	S4.2) Total entry and mid-level positions held by men and women	Entry Level: Male	Number and %	357 (42%)	GRI: 405-1, UN SDG 5		
		Entry Level: Female	Number and %	3 (0.4%)			
		Mid-Level: Male	Number and %	290 (34.2%)			
		Mid-Level: Female	Number and %	57 (6.7%)			
	S4.3) Total senior and executive-level positions held by men and women	Senior Level: Male	Number and %	106 (12.5%)	GRI 2: 9		
		Senior Level: Female	Number and %	19 (2.2%)			
		Executive Level: Male	Number and %	13 (1.5%)			
		Executive Level: Female	Number and %	4 (0.5%)			
	S4.4) The ratio of median male employee compensation to median female employee compensation *		Number		1.1	GRI: 405-1, UN SDG 5	

* The methodology was revised this year to compare corporate employee grades where both genders are represented, noting that the most of female employees are within corporate functions



ESG PERFORMANCE DATA

Social Metrics	Indicators	Sub-Indicators	Unit	Tabreed 2025 Data	Corresponding Standards	Corresponding SDGs and frameworks/standards
 S4. Gender Diversity and Equality	S4.5) Please describe your company's initiatives or programs to support the recruitment and retention of female employees, and to support female employees to advance to management positions.		-	Tabreed's female employees actively participated in leadership development programs such as the BetterUp coaching initiative and the Hawkamah Directors Development Program for Board members, strengthening their skills and impact across the organization. In celebration of Women's Day, Tabreed also hosted a half-day workshop to recognize and honor their contributions. Additionally, they are reviewing the Culture and Engagement Survey results to identify challenges faced by women employees and will implement targeted actions to address and support their needs.	GRI 2: 9	  
 S5. Human Rights	S5.1) Does your company follow a harassment and/or non-discrimination policy?		Yes/No	Yes, Tabreed promotes an inclusive workplace through its Diversity, Equity & Inclusion (DE&I) Policy and upholds non-discrimination via a Human Rights Policy aligned with ILO Conventions no. 100 and 111.	GRI: 405-1, UN SDG 5	
	S5.2) Does your company have a formal grievance mechanism in place?		Yes/No	Yes, Through its Code of Conduct, Tabreed has implemented the Employee Assurance and Resolution System (EARS) to enable employees to raise grievances or complaints confidentially and anonymously via telephone or online. All employees have access to the Code and receive annual training to maintain awareness and compliance.	GRI: 405-2, UN SDG 10	
	S5.3) Does your company follow a child and/or forced labor policy?		Yes/No	Yes, Tabreed's Human Rights Policy ensures the prohibition of forced labour within its operations, with suppliers required to acknowledge the policy during onboarding.	GRI: 2-19	
	S5.4) Does your company follow a human rights policy?		Yes/No	Yes, Tabreed has a Human rights Policy.	GRI 2: 23	
	S5.5) Does your company provide training on human rights and related internal policies for your employees?		Yes/No	Yes, Tabreed ensures that its employees, contractors, and suppliers are informed of relevant policies, including the Sexual Harassment Policy and the Human Rights Policy, and are expected to comply with their requirements.	GRI: 404-1	

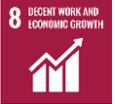


ESG PERFORMANCE DATA

Social Metrics	Indicators	Sub-Indicators	Unit	Tabreed 2025 Data	Corresponding Standards	Corresponding SDGs and frameworks/standards
 S6. Health and Safety	S6.1) Does your company follow an occupational health and safety policy?		Yes/No	Yes, Tabreed has an Integrated Management System (IMS) in place that governs employee health and safety. All employees, contractors, and relevant stakeholders are required to comply with this system to achieve and sustain high standards of IMS performance.	GRI 2: 23, UN SDG 3	  
	S6.2) Does your company adopt a recognized health and safety management systems such as ISO 45001?		Yes/No	Yes, Tabreed has an Occupational Health & Safety Management System (ISO 45001:2018) in place.		
	S6.3) Please share the total employee and total contractors (if available) manhours		Hours	Total man-hours: 3,821,878 Total full-time employee manhours: 2,505,127 Total contractors' manhours: 1,316,751	GRI 403-9	
	S6.4) Please share the total employee fatalities, with a breakdown of gender		Number	0	GRI 403-9	
	S6.5) Please share the employee lost time injury (LTI), with a breakdown of gender		Number	0	GRI: 403-9	
	S6.6) Please share the lost time injury frequency (LTIF), with a breakdown of gender		Number	0	GRI 403-9	
	S6.7) Please share the total health and safety training provided to employees		Number	14,268 training hours - All HSE trainings (Internal & external)	GRI 403-5	



ESG PERFORMANCE DATA

Social Metrics	Indicators	Sub-Indicators	Unit	Tabreed 2025 Data	Corresponding Standards	Corresponding SDGs and frameworks/standards
 S7. Training and Development	S7.1) Please share the average annual training hours allocated per employee, with a breakdown of gender and employment category	Male	Hours	25	GRI: 404-1, UN SDG 5	
		Female		30		
		Staff		22.89		
		Middle Management		31		
		Senior Management		53.22		
	S7.2) Please share the total hours of training per employee on sustainability policies and practices, including human rights.	Hours	Sustainability training = 1,105 hours Human rights = Tabreed has planned for training to be conducted in Q1 of 2026	GRI: 412-2		
S8. Community Engagement	S8.1) Please share the total amount invested in the community, including philanthropy, donations and sponsorships	Amount invested / Yearly revenue in reporting currency	% (AED)	AED 545,000	GRI: 413-1	
	S8.2) Please share the total employee volunteering completed during the reporting period		Number	174	GRI: 413-1	



ESG PERFORMANCE DATA

Governance Metrics	Indicators	Sub-Indicators	Unit	Tabreed 2025 Data	Corresponding Standards	Corresponding SDGs and frameworks/standards
 G1. Board Diversity	G1.1) Total board seats occupied by men & women	Men	Number and %	7 (78%)	GRI 405-1	 
		Women	Number and %	2 (22%)		
	G1.2) Total committee chairs occupied by men & women	Men	%	6 (86%)		
		Women	%	1 (14%)		
 G2. Board Independence	G2.1) Does company prohibit the CEO from serving as board chair?	Yes/No	Yes	GRI 405-1		
	G2.2) Please share the total board seats occupied by independents	%	100%			
 G3. Collective Bargaining	G3) Please share the total enterprise headcount covered by collective bargaining agreement(s)	%	Collective bargaining is not permitted within the UAE	GRI 2-30		



ESG PERFORMANCE DATA

Governance Metrics	Indicators	Unit	Tabreed 2025 Data	Corresponding Standards	Corresponding SDGs and frameworks/standards
 G4. Supply Chain Management	G4.1) Are your vendors or suppliers required to follow a Code of Conduct?	Yes/No	Yes, Tabreed requires all its suppliers to adhere to Tabreed's Supplier Code of Conduct. https://www.tabreed.ae/wp-content/uploads/2024/03/Supplier_Code_of_Conduct_12024.pdf	GRI 23-2, UN SDG 12	
	G4.2) If yes, what percentage of your suppliers are formally certified and compliant with the Code?	%	100%. All suppliers are required to align with our Code of Conduct.		
	G4.3) Please share the suppliers that underwent a supplier's environmental audit during the reporting period	Number/%	100%. All suppliers go through a comprehensive process where they are assessed for environmental impacts.	GRI: 308-1, UN SDG 12	
	G4.4) Please share the suppliers that underwent a supplier's social audit during the reporting period	Number/%	100%. All suppliers go through a comprehensive process where they are assessed for social impacts.	GRI: 414-1, UN SDG 12	
	G4.5) Please share the new suppliers receiving warning due to the environmental/social screening	Number/%	0	GRI: 308-1, 414-1, UN SDG 12	



ESG PERFORMANCE DATA

Governance Metrics	Indicators	Unit	Tabreed 2025 Data	Corresponding Standards	Corresponding SDGs and frameworks/standards
 G5. Ethics & Anti-corruption	G5.1) Does your company follow an Ethics and/or Anti-Corruption policy?	Yes/No	Yes, Tabreed's Code of Conduct addresses anti-corruption practices by setting clear expectations for employee conduct and providing channels for reporting concerns.	GRI 2: 23, UN SDG 16	
	G5.2) Please share the workforce formally compliant with the Anti-Corruption Policy	%	100%	GRI 205-2	
	G5.3) Please share the confirmed incidents of corruption during the reporting period	Number	0	GRI 205-3	
	G5.4) Please share the corrective measures taken corresponding to the confirmed incidents of corruption (in case of any)	Text	Not Applicable	GRI 205-4	
 G6. Data Security	G6.1) Does your company follow a Data Privacy policy?	Yes/No	Tabreed is working towards finalising this policy.	GRI 418-1	
	G6.2) Has your company taken steps to comply with GDPR rules or similar standards?	Yes/No	Tabreed's operations span the UAE, Bahrain, Oman, Saudi, India, and Egypt, with no operational presence in Europe. As a result, GDPR compliance is not directly applicable to its activities. Nevertheless, Tabreed remains committed to safeguarding company and customer data and will continue to strengthen its data protection measures in the coming months in line with applicable legal requirements.		
	G6.3) Data security breaches during the reporting period (if any)	Number	Not applicable, as Tabreed is not dealing with any entity in America or Europe	GRI 418-1	



ESG PERFORMANCE DATA

Governance Metrics	Indicators	Unit	Tabreed 2025 Data	Corresponding Standards	Corresponding SDGs and frameworks/standards
 G7. Sustainability Risks, Opportunities and Governance	G7.1) Describe the sustainability-related risks and opportunities that could reasonably be expected to affect your organization's prospects.	-	Tabreed has identified sustainability-related risks and opportunities that may affect its long-term prospects, including environmental performance, regulatory compliance, resource efficiency, workforce wellbeing, supply chain practices, and evolving stakeholder expectations. These factors may influence operational performance, costs, and reputation if not effectively managed. At the same time, sustainability creates opportunities through demand for energy-efficient and low-carbon cooling solutions, operational efficiency improvements, innovation, and stronger stakeholder relationships, supporting long-term value creation and business resilience.	IFRS S-1	
	G7.2) Describe the current and anticipated impacts of sustainability-related risks and opportunities on your organization's business model and value chain.	-	Sustainability-related risks and opportunities affect Tabreed's business model and value chain through operational efficiency, regulatory compliance, supply chain practices, and stakeholder expectations. In the near term, these factors influence operating costs, asset performance, workforce wellbeing, and supplier management. Over the longer term, increasing demand for energy-efficient and sustainable cooling solutions is expected to support business growth, innovation, and resilient infrastructure development. By integrating sustainability considerations into operations, procurement, and governance, Tabreed strengthens its value chain resilience and long-term competitiveness.		
	G7.3) Describe how your organization responded to, and plans to respond to, sustainability-related risks and opportunities in its strategy and decision-making.	-	Tabreed has responded to sustainability-related risks and opportunities by integrating environmental, social, and governance considerations into its corporate strategy, governance, and decision-making processes. Sustainability matters are overseen through executive management and ESG governance structures, informing operational priorities, investment decisions, and risk management. The Company manages sustainability-related risks through efficiency initiatives, responsible supply chain practices, workforce wellbeing programmes, and regulatory compliance, while pursuing opportunities through innovation, sustainable cooling solutions, and strategic partnerships. These actions support long-term business resilience and value creation.		



ESG PERFORMANCE DATA

Governance Metrics	Indicators	Unit	Tabreed 2025 Data	Corresponding Standards	Corresponding SDGs and frameworks/standards
 G7. Sustainability Risks, Opportunities and Governance	G7.4) Describe the current and anticipated effects (during the reporting period) of sustainability-related risks and opportunities on your organization's business model, financial position, performance, and cash flows. How are these risks considered in financial planning (current financial effects)?	-	Sustainability-related risks and opportunities influenced Tabreed's business model and financial performance primarily through operational efficiency, cost management, and investment decisions, without resulting in material adverse financial impacts. Sustainability initiatives related to energy efficiency, asset optimisation, workforce wellbeing, and supply chain practices supported stable operations and cost control. Anticipated impacts are reflected in ongoing capital planning and operational budgets, where sustainability considerations are integrated to enhance resilience, regulatory compliance, and long-term value creation. Sustainability-related risks are considered in business planning, capital allocation decisions, and performance monitoring, ensuring alignment between financial objectives and sustainability priorities.	IFRS S-1	
	G7.5) Describe the processes and policies your organization uses to identify, assess, prioritize, and monitor sustainability related risks, and the inputs and parameters used in these processes.	-	Tabreed identifies, assesses, prioritises, and monitors sustainability-related risks through its established ESG governance and enterprise risk management processes. Sustainability risks are identified through periodic materiality assessments, stakeholder engagement, regulatory monitoring, and operational risk reviews. These risks are assessed and prioritised based on their potential impact on operations, financial performance, regulatory compliance, reputation, and long-term resilience. Oversight is provided by executive management and the ESG Committee, supported by relevant sub-committees. Sustainability-related risks are monitored through defined performance indicators, compliance reporting and management reviews.		
	G7.6) How are the processes for identifying, assessing, prioritizing and monitoring sustainability-related risks and opportunities integrated into and informing your organization's overall enterprise risk management process?	-	Sustainability-related risks and opportunities are integrated into Tabreed's enterprise risk management (ERM) framework through materiality assessments, stakeholder engagement, regulatory monitoring, and operational risk reviews. These risks are assessed alongside other strategic and operational risks and inform risk prioritisation, mitigation actions, and strategic decision-making. Oversight is provided by the ESG Committee through management reporting, performance monitoring, and periodic reviews.		



ESG PERFORMANCE DATA

Governance Metrics	Indicators	Unit	Tabreed 2025 Data	Corresponding Standards	Corresponding SDGs and frameworks/standards
 G7. Sustainability Risks, Opportunities and Governance	G7.7) Which governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) is responsible for oversight of sustainability-related risks and opportunities?	-	Oversight of sustainability-related risks and opportunities at Tabreed is exercised through its established ESG governance framework, with formal oversight provided by the ESG Committee , which is chaired by the Chief Executive Officer and comprises senior executives and 3 additional members. The ESG Committee is supported by dedicated Environmental, Social, and Governance sub-committees , which provide subject-matter input and support implementation. This governance structure ensures sustainability considerations are integrated into strategic planning, operational decision-making, and regulatory compliance.	GRI 2:12, IFRS S-1	
	G7.8) How does the body or individual consider sustainability-related risks and opportunities when overseeing your organization's strategy?	-	The ESG Committee consider sustainability-related risks and opportunities as part of the organization's strategic oversight and decision-making processes. Sustainability considerations are reviewed in the context of corporate strategy, operational performance, regulatory compliance, risk management, and long-term value creation. These considerations inform priorities related to efficiency initiatives, responsible supply chain practices, workforce wellbeing, investment decisions, and innovation, among others, ensuring sustainability is integrated into strategic planning and aligned with business objectives.	IFRS S-1	
	G7.9) Are performance metrics related to these targets included in remuneration policies? If so, how?	-	Sustainability-related performance metrics are not directly linked to individual remuneration targets. However, ESG-related performance is incorporated within the Company's corporate scorecard, which is used to determine the overall company performance rating. Bonus outcomes are based on this company performance rating, which reflects achievement against corporate objectives, including sustainability-related priorities such as ESG roadmap delivery and decarbonisation progress. As such, sustainability performance influences remuneration outcomes indirectly through the overall assessment of company performance.		



ESG PERFORMANCE DATA

Governance Metrics	Indicators	Unit	Tabreed 2025 Data	Corresponding Standards	Corresponding SDGs and frameworks/standards
 G7. Sustainability Risks, Opportunities and Governance	G7.10) Has your organization delegated the role of overseeing sustainability-related risks and opportunities to a specific management-level position or committee, and how is oversight over this role or committee exercised?	Yes/No	Yes. Oversight of sustainability-related risks and opportunities is delegated to the ESG Committee , which is chaired by the Chief Executive Officer and comprises senior executives and 3 additional members. The ESG Committee is supported by dedicated Environmental, Social, and Governance sub-committees. Oversight of this role is exercised through regular management reviews, monitoring of performance against sustainability objectives and corporate scorecard KPIs, and reporting through established governance and risk management processes. This structure ensures sustainability considerations are integrated into strategic planning, operational decision-making, and regulatory compliance, with accountability maintained at senior management level.	IFRS S-1	
	G7.11) What metrics does your organization use to measure and monitor each sustainability-related risk or opportunity identified above?	-	Tabreed monitors sustainability-related risks and opportunities using key environmental, social, and governance (ESG) metrics. Environmental metrics include energy consumption and intensity, GHG emissions and emissions intensity, water use, waste generation, and renewable energy integration. Social metrics include health and safety performance, employee engagement and training and workforce diversity. Governance metrics include regulatory compliance, ethics and anti-corruption indicators, cybersecurity performance, and ESG disclosure completeness. These metrics are monitored through management reporting and ESG governance processes and are reflected in the Company's corporate scorecard.		
 G8. External Assurance	G8.1) Are your sustainability disclosures assured or validated by a third party?	Yes/No	Yes, Tabreed plans to obtain assurance for its upcoming Annual ESG Report.	GRI 2:5	

**NOTES:**

This report covers the ESG data for the year 2025 only to maintain consistency with the requirements.

Tabreed's DFM compliant ESG requirements for the year 2021 and 2022 were reported in its Annual Report 2022,

- https://tabreed.ae/sites/default/files/2025-03/Annual%20Report%202022_31%20DEC%202022.pdf

Tabreed's DFM compliant ESG requirements for the year 2023 were reported in its Annual Report 2023

- <https://www.tabreed.ae/sites/default/files/2025-03/2023%20Integrated%20Annual%20Report.pdf>

Tabreed's DFM compliant ESG requirements for the year 2024 were reported in its Annual Report 2024

- [https://tabreed.ae/sites/default/files/2025-03/2024 Annual Integrated Report En.pdf](https://tabreed.ae/sites/default/files/2025-03/2024%20Annual%20Integrated%20Report%20En.pdf)

Tabreed also publishes its full ESG Report, in accordance with global reporting initiative (GRI) Standards.

- ESG Report 2021, https://www.tabreed.ae/sites/default/files/2024-08/En-ESG-Report-Tabreed_vF.pdf
- ESG Report 2022, https://www.tabreed.ae/sites/default/files/2024-08/Tabreed_ESG_Report_2022.pdf
- ESG Report 2023, <https://www.tabreed.ae/sites/default/files/2024-08/Tabreed-ESG-Report-2023.pdf>
- ESG Report 2024, https://www.tabreed.ae/sites/default/files/2025-07/Updated_2024_ESG_Report_New.pdf





Corporate Governance

Board of Directors	76 - 80
Corporate Governance Report	81 - 125





BOARD OF DIRECTORS



**Dr. Bakheet Al
Katheeri**

**Chairman, Non-Executive,
Independent**

Dr. Bakheet Al Katheeri is the Chief Executive Officer of Mubadala's UAE Investments platform. The platform is Mubadala's national vehicle contributing to accelerate the transformation of the UAE's economy by building national world class champions, fostering vibrant industrial and commercial clusters, and partnering with world-class global entities. In this role, Dr. Bakheet spearheads the platform's growth and strategic direction while steering its portfolio of national champions in multiple sectors, including energy, metals, aerospace, technology, healthcare, real estate, and infrastructure.

Dr. Bakheet's expertise in the energy and industrial sectors is widely recognized. In his previous tenure at Mubadala, Dr. Bakheet held the position of Executive Director of the UAE Industries unit within the UAE Investments platform.

Prior to this, Dr. Bakheet had various leadership roles at Mubadala Energy as Chief Operating Officer and later Chief Growth Officer, Chief Executive Officer.

Before embarking on his career with Mubadala Energy, Dr. Bakheet had a distinguished tenure at the Abu Dhabi National Oil Company (ADNOC).

He currently serves on the board of or as a member of significant entities and companies: Aldar Properties, Emirates Global Aluminium (EGA), Abu Dhabi Future Energy Company (Masdar), Mubadala Energy, Space42, Abu Dhabi Investment Council, Mubadala Bio.

Dr. Bakheet holds a BSc degree in Petroleum Engineering and applied Mathematics from the University of Tulsa (Oklahoma, USA) and MSc in Environmental Science from UAE University. He also holds an Executive MBA from HCT, UAE and a Doctorate of Business Administration from the College of Business and Economics, UAE University.



**Paulo
Almirante**

**Vice Chairman, Non-Executive,
Independent**

Paulo Almirante is Senior Executive Vice President in charge of ENGIE's Renewable & Flexible Power Global Business Unit and a member of the Group's Executive Committee. He also serves as a board member of several ENGIE group companies, contributing to the Group's strategic governance at global and regional levels.

With over 35 years of experience in the energy sector, Paulo brings deep expertise across power generation, energy infrastructure, and energy services, with a strong international track record. He joined ENGIE in 2011, following the integration of International Power, where he previously held senior leadership roles.

Paulo holds a Master's degree in Mechanical Engineering from the Technical University of Lisbon, a degree in Management from the Catholic University of Lisbon and completed the Global Leadership Development Program at London Business School



BOARD OF DIRECTORS



**Mansoor
Al Hamed**

Board Member, Non-Executive,
Independent

Mansoor Al Hamed was appointed Chief Executive Officer of Mubadala Energy in 2021 and Managing Director in 2024. Prior to such appointments, he held the position of Chief Growth Officer where he was responsible for all new business development and Mergers & Acquisitions activities at Mubadala Energy.

He brings with him more than 15 years of diverse experience in the oil and gas industry and across various disciplines of business leadership.

Before joining Mubadala Energy, he worked in a highly diversified private sector business based in the UAE, gaining experience across commercial and managerial roles held in various business sectors.

Mansoor Al Hamed holds a BSc degree in Business Administration from the American University in Dubai and two MSc degrees from Abu Dhabi University and National Defense College in Abu Dhabi.



**Musabbeh
Al Kaabi**

Board Member, Non-Executive,
Independent

Musabbeh Al Kaabi leads ADNOC's Low Carbon Solutions & International Growth Directorate. He is responsible for driving ADNOC's investments in new energies and low carbon solutions, as well as its international growth, technology, and sustainability strategies. .

Musabbeh currently serves as Chairman of the Board of Directors of Mubadala Energy. He is also a board member of Masdar, ADNOC Gas and Environment Agency – Abu Dhabi. In the past, he has served on the boards of several leading organizations including First Abu Dhabi Bank, Dolphin Energy, Emirates Global Aluminium, Borealis, Cepsa, NOVA Chemicals and Cleveland Clinic Abu Dhabi.

Musabbeh holds a Bachelor of Science degree in Geophysical Engineering from Colorado School of Mines and a Master of Sciences degree in Geoscience from Imperial College, London.



BOARD OF DIRECTORS



**Pierre
Cheyron**

Board Member, Non-Executive,
Independent

Pierre Cheyron is the Chief Development and Strategy Officer of ENGIE Energy Solutions and member of the operational executive committee of ENGIE.

Until 2020, Pierre was the CEO of ENGIE Southeast Asia, leading one of the fastest growing key business clusters in the Asia-Pacific organisation towards Zero-Carbon Transition by delivering integrated solutions to its customers.

Pierre joined ENGIE in 2011 as CEO of Cofely Southeast Asia, and then overseeing all Service activities of ENGIE in the Asia-Pacific region from 2015 to 2018. Prior to ENGIE, Pierre was with Alcatel-Lucent in various key management roles in Asia and Europe. He was appointed President of the Malaysian French Chamber of Commerce & Industry from 2011 to 2015 and is currently a member of the board with the French Chamber of Commerce in Singapore.



**Janis Rey
Lozada**

Board Member, Non-Executive,
Independent

Janis Rey Lozada has been the Managing Director of Engie Energy Local Infrastructures since October 2023. She has over 20 years of professional experience in the infrastructure and environmental services sectors in various countries across Europe and Latin America. She has held several key positions, including CEO of Vinci Highways in Peru, Board Member of Vinci Highways in Colombia, Country Director of Veolia in Venezuela, Country Director of Veolia in Peru, Director of Sustainable Development Latam at Proactiva Medio Ambiente (FCC-Veolia), and member of the Excom Latam at Veolia.

Janis has been an Economic Advisor to France since 2013. She graduated from the prestigious National School of Administration, ENA (France). She is the President of the Association of Cold and Heat Network Companies of Spain, ADHAC, and a member of the Board of Directors of the Association of Energy Services Companies, ANESE.



BOARD OF DIRECTORS



**Dr. Alyazia Ali Al
Kuwaiti**

Board Member, Non-Executive,
Independent

Dr. Alyazia Ali Al Kuwaiti is the Executive Director of the Energy portfolio in Mubadala, responsible for ensuring the effective management of its global energy operating companies, including oversight of their business plans, growth strategies and overall performance.

Dr. Alyazia's corporate boards experience is primarily in the energy and industrial sector, with a strong record in financial and strategic value creation. In January 2021, she was nominated as a member of Mubadala's Investment and Business Planning Committee, which approves incoming transactions across the entire group of sectors including technology, financial services, real estate, healthcare, consumer and others.

A leading female figure in the UAE's energy investments sector, Dr. Alyazia plays an active role in accelerating the professional development of young Emiratis and is a strong advocate for the advancement of women in both the local workforce and, more broadly, in the international Energy scene.

She holds a bachelor's degree in Accounting and Finance from Portobello College in Dublin, Ireland; a Master's in International Business from the University of Wollongong in Dubai; and a PhD in Business Administration from UAE University on the topic of Corporate Governance in Publicly Listed Companies in UAE stock markets.



**Saeed Ali Khalfan Al
Dhaheri**

Board Member, Non-Executive,
Independent

Saeed Al Dhaheri is an executive Board member of Ali & Sons Holding LLC, where he serves on both the audit and the executive committees.

Moreover, Saeed is a Managing Director of Investments, overseeing investments in both Real Estate and public & private equities as well as Venture Capital. He is a non-executive director of National Central Cooling Company (Tabreed) and Peninsula Real Estate Management.

His past experience includes working as an analyst for Abu Dhabi Investment Authority and earning a bachelor's degree in Finance from the American University of Dubai.



BOARD OF DIRECTORS



**Geert
Bunkens**

Board Member, Non-Executive,
Independent

Geert Bunkens is the VP Regional Hub for AMEA and VP of Finance for AMEA at ENGIE. He is based in Dubai and brings to the table extensive experience in project financing, financial planning and analysis, profit-and-loss leadership, and mergers and acquisitions.

Geert joined ENGIE's project finance team in 2005 and quickly advanced his career. He managed corporate financing in Belgium and Australia, led regional corporate finance operations, and served as CFO Asia Pacific in Singapore from 2018 to 2021. He holds a Master's degree in Commercial Engineering, majoring in Finance, as well as a Master's degree in Taxation from the University of Leuven (KU Leuven) in Belgium.

All Board members confirm the information provided herein, true and accurate.

We also confirm that no delegations or authorizations to any Board member or member of executive management were granted by the Board in respect of duties and functions of the Board of Directors during the year **2025**.



CORPORATE GOVERNANCE REPORT – TABLE OF CONTENTS

01 Preface

09 Other committees approved by the Board

02 Compliance with regulations

10 Insider information and dealings committee

03 Corporate governance structure

11 Internal audit system

04 Board member transactions

12 Irregularities in 2025

05 Formation of the Board

13 Corporate social responsibility: code of conduct and local community development

06 External auditor

14 Sustainability, occupational health & safety, and quality

07 Audit, risk and compliance committee

15 General information

08 Nomination and remuneration committee

This Corporate Governance Report is Approved by:

Dr. Bakheet Al Katheeri

Chairman of the Board

Dr. Yousif Al Hammadi

Interim Chief Executive Officer

Dr. Alyazia Al Kuwaiti

Chairman of the Nomination and Remuneration Committee

Geert Bunkens

Chairman of the Audit, Risk and Compliance Committee

Syed Aley

Acting VP, Internal Audit



1. PREFACE

Corporate governance is the system of rules, practices and processes used to direct and manage a company.

The following report is governed by the Capital Market Authority (“CMA”) Chairman’s Board of Directors’ Decision No. 3 of 2020 as amended from time to time on the Joint Stock Companies Governance Guide (“Decision 3/2020”) (as amended with Decision 2/2024) and the format of this report is prescribed by the CMA. This report outlines the compliance of National Central Cooling Company PJSC (the “Company” or “Tabreed”) with Decision 3/2020 and its amendments, and the Company’s overall integral governance structure in the period from 1 January 2025 to 31 December 2025.

In addition to the above, to ensure compliance with the external rules, Tabreed has adopted, updated and implemented, to list a few without limitation, a number of internal policies and procedures to emphasize the enforcement and application of the corporate governance by the Board and Tabreed’s employees:

- Code of Conduct
- Anti-Bribery and Corruption Policy
- Audit, Risk and Compliance Committee Charter
- Delegation of Authority
- Related Party Transaction Policy
- Tabreed Market Conduct and Securities Trading Policy
- Internal Audit Charter;
- Human Rights Policy
- Ethical Framework
- Diversity, Equity & Inclusion Policy
- Business Consultants Policy
- Investor Relation Policy

Incorporated in 1998, Tabreed has 28 years of industry leading experience in the district cooling sector, with geographical presence across the GCC, Egypt and India. Throughout its journey Tabreed has enhanced its commitment to implementing the highest standards of corporate governance within the Company to enhance value for its shareholders and stakeholders.



2. COMPLIANCE WITH REGULATIONS

Tabreed's corporate governance system is well developed, adopts local and international best practice and meets all relevant requirements of UAE legislation on corporate governance, including the Federal Decree by Law concerning Commercial Companies No. 32 of 2021 (as amended) and CMA Decision 3/2020 as amended by virtue of Decision 2/2024 applies to Tabreed's listing on the Dubai Financial Market ("DFM"). The CMA supervises, controls and verifies Tabreed's compliance with Decision 3/2020 (as amended).





3. CORPORATE GOVERNANCE STRUCTURE

- The General Assembly Meeting is the highest decision-making body in the Company and is the forum in which shareholders exercise their right to decide on the Company's direction. The Annual General Assembly Meeting ("AGA") is convened once a year to carry out tasks such as adopting the Board of Directors' report and the annual and consolidated accounts, discharging the members of the Board of Directors and the auditors from liability and deciding how the profit of the past financial year is to be allocated.
- The shareholders are the ultimate decision-makers in respect of the direction of the Company as the shareholders are responsible for appointing the Board of Directors at the AGA of the Company, each such appointment being for a term of three years. The shareholders present at the AGA also elect the auditors who in turn report on their scrutiny to the AGA.
- The following sections summarize how the Company has applied the principles of Decision 3/2020 and its compliance with these principles.





3. CORPORATE GOVERNANCE STRUCTURE

3.1. Board of Directors

(Art. 6, Decision 3/2020)

- The appointment, roles and responsibilities of the Board of Directors of Tabreed (the “Board” or “Board of Directors”) are outlined in Tabreed's Articles of Association (“AoA”).
- From implementation of the membership balance criteria set down by Decision 3/2020 in relation to executive, non-executive and independent members of the Board, up to and including the last Board election in 2023, we confirm that compliance was maintained by Tabreed for all criteria including those requirements for the independence of the Board members. The updated independence criteria for the Board members as prescribed by the CMA Res 3/2020 now applies to Tabreed Board members noting that Mubadala Board members benefit from the CMA issued exception from independence.
- The Board has at all times maintained an appropriate level of skills, experience and capabilities across the membership.

3.2. Chairman of the Board

(Art. 7 and 15, Decision 3/2020)

- In 2025, Dr. Bakheet Al Katheeri has presided as the Chairman of the Board (the “Chairman”).
- Dr. Bakheet is a non-executive director with notable and in-depth knowledge expertise in the energy and industrial sectors.
- The Chairmen has ensured that the Board participated effectively at Board meetings and that each member of the Board acted in the best interests of Tabreed and its shareholders while maintaining the highest standard of regulatory governance and compliance requirements.



3. CORPORATE GOVERNANCE STRUCTURE

3.3. Members of the Board

(Art. 9, 10, 11, 13, 14, 16 - 19, Decision 3/2020)

- The members of the Board have a diverse set of skills and experience. Each member's duty is to act in the best interests of Tabreed and its shareholders. Each member of the Board ensures that Tabreed's management maintains systems and processes to ensure adherence to laws, regulations and Tabreed's operational requirements.
- The Board ensures that Tabreed's management provides them with sufficient information, in a timely manner, to make informed decisions that affect the direction of the Company. The Board members participate in Board meetings, giving independent opinions on strategic issues, policy, accounting, resources and principles of required behaviour. The Board tracks the Company's performance against strategic objectives.
- Each year, all Board members disclose to Tabreed an assessment of their independence, potential conflicts of interest, confirmation of confidentiality, details of any share trading and details of their significant positions in public companies or other institutions.

3.4. Remuneration of the Chairman and the Board

Members (Art. 29, Decision 3/2020)

- The Chairman and the Board members are entitled to be remunerated by a percentage of up to a maximum of 10% of the net profits of the Company in respect of each fiscal year, subject to approval by the shareholders at the Company's AGA and subject to setting aside a statutory reserve of 10% of the net profits of the Company.



3. CORPORATE GOVERNANCE STRUCTURE

3.5. Board Committees

(Art. 6, 53 Decision 3/2020)

- The Board is empowered to establish Board committees and to delegate powers to such committees as necessary or appropriate. The Board delegates certain functions to well-structured committees but without abdicating its own responsibilities.
- Board committees are an effective way to distribute work between Board members and allow for more detailed consideration of specific matters. All the Board committees are functioning on behalf of the Board and the Board will be responsible for constituting, assigning, co-opting and fixing terms of service for Board committee members.
- Tabreed's Board has constituted four committees and implemented charters that define the obligations, duration and authority of each committee and these committees are regularly monitored by the Board regarding their performance and commitment. These committees are:
 - Audit, Risk and Compliance Committee;
 - Nomination and Remuneration Committee;
 - Finance Committee; and
 - Projects Committee
- The Audit, Risk and Compliance Committee ("ARC Committee") and the Nomination and Remuneration Committee ("NRC") are mandated by Decision 3/2020. The Finance Committee and the Projects Committee have been established by the Board of Directors as additional committees to facilitate the business requirements of the Company.

3.6 Audit, Risk and Compliance Committee

(Art. 60 - 63, Decision 3/2020)

- The Board maintains an ARC Committee that monitors financial statements, reviews and recommends changes to Tabreed's financial and control systems, and appoints and maintains an appropriate relationship with the Company's external auditors, it also oversees risk and compliance functions. The Audit Committee also oversees the Internal Audit function and is responsible for approving recommendations for internal audit improvements (see Section 7 for further detail on the Audit, Risk and Compliance Committee).





3. CORPORATE GOVERNANCE STRUCTURE

3.7. Nomination and Remuneration Committee

(Art. 59, Decision 3/2020)

The NRC assists the Board in discharging its responsibilities in relation to qualifications, compensation, appointment and succession of the Company's directors and key management personnel. The Committee oversees the Company's nomination process for the Board of Directors and continuously monitors the independence of the independent members of the Board (see Section 8 for further detail on the Nomination and Remuneration Committee).

3.8 Finance Committee

The role of the Finance Committee is to assist the Board in monitoring and reviewing: a) the economics and financial returns of investments and commitments, b) debt and equity financing transactions; and c) financial risk management programs of the Company (see Section 9.1. for further detail on the Finance Committee).

3.9 Projects Committee

The role of the Projects Committee is to assist the Board and management in the successful tendering and execution of projects, management of project related contracts, procurement processes, health/safety and the environment, or any other matter that may be critical for the efficient, safe and reliable operation of the Company's projects and existing assets (see Section 9.2. for further detail on the Projects Committee).

3.10. Internal Audit

(Art. 66, 67 and 68, Decision 3/2020)

Tabreed's Internal Audit function is maintained by the Board with certain responsibilities delegated to the ARC Committee. Internal Audit provides independent, objective and authoritative advice as well as assurance over the Internal Audit environment to the Board, ARC Committee and management, to assist them in discharging their functions and duties conferred and imposed on them.

The Board ensures that the internal audit is effective by reviewing the work of the ARC Committee, effectively dealing with risk and control issues at Board meetings and requiring that risk and internal audit issues are discussed at each Board meeting. The Board also ensures that an internal audit review is conducted by the Internal Audit function each year (See Section 11 for further detail on the Internal Audit function).

3.11. External Auditor

(Art. 70 - 73, Decision 3/2020)

On the recommendation of the ARC Committee, the Board appointed Ernst & Young ("EY") as Tabreed's external auditor for the financial year 2025 at the AGA held on 25 March 2025. The Board ensures that the external auditor remains independent from the Company. The external auditor has broad powers to provide reports to the General Assembly Meeting and to regulatory bodies (see Section 6 for further detail on the External Auditor).



3. CORPORATE GOVERNANCE STRUCTURE

3.12. Delegation to Management

(Art.14, Decision 3/2020)

The Board provides guidance and direction to Tabreed's management towards achieving the strategic objectives of Tabreed.

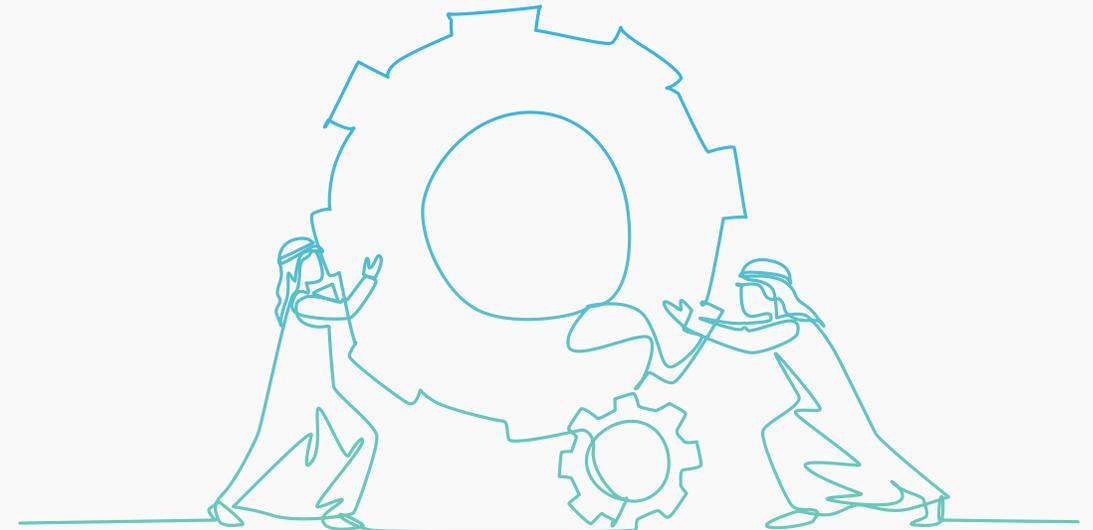
The Board is responsible for the direction and oversight of the Company on behalf of the shareholders. The day-to-day activities of Tabreed are delegated to management through the Board approved Delegation of Authority as amended and approved by the Board on 13 February 2025. The Delegation of Authority will be reviewed at least every 2 years. The Delegation of Authority delegates authority from the Board to executive management to execute certain:

- Contractual or other commitments;
- Expenditure, purchases; and
- Investments,

in each case below a specified maximum limit amount (in AED), beyond which approval of the Board is required. To give effect to the Delegation of Authority, the Board has granted a general Power of Attorney to the Chief Executive Officer, subject to the abovementioned maximum limit amount and which shall remain in force for the same duration at the Delegation of Authority. Other than the above Delegation of Authority there are no other standing delegations of authority from the Board of Directors to the management of the Company. All other powers, authorities and responsibilities in respect of the management of the Company are vested in the Board in accordance with the AoA, subject to those matters reserved under such AoA and/or applicable laws and regulations for the exclusive decision by the shareholders of the Company at the General Assembly of the Company.

The Board also provides guidance and direction to management through the following mandates that are regularly reviewed by the Board:

- The five-year business plan;
- Tabreed's policies;
- Key performance indicators; and
- Regular reporting against performance targets.





3. CORPORATE GOVERNANCE STRUCTURE

3.13 Shareholders' Rights

(Art. 48, 49, 50 and 51, Decision 3/2020)

- The Board is committed to maintaining the highest standards in relation to recognition of shareholders' rights. This commitment is outlined in the Charter of the Board of Directors. To that end, Tabreed maintains an appropriately resourced investor relations function to communicate with shareholders. Tabreed engages the DFM and First Abu Dhabi Bank ("FAB") to assist with shareholders' matters related to annual general assembly and dividend distribution.
- The purpose of the investor relations function is to ensure that shareholders are kept informed of the Company's financial and operational performance and outlook and have access to financial disclosures and relevant information, that shareholders are notified of and attend General Assembly meetings, and that dividend payments, when approved, are distributed to each shareholder on a timely basis in coordination with the DFM and FAB.
- The AoA sets out the shareholders' rights to information, voting, participation at meetings and information on candidates for Board positions.

3.14 Code of Conduct

(Art. 52, Decision 3/2020)

- The manner in which the Company expects the Board, its employees, the auditors and the persons to whom specific duties are assigned to behave with respect to each other, the law, customers, suppliers, stakeholders and the community is articulated in the Tabreed Code of Conduct.





4. BOARD MEMBER TRANSACTIONS

The Company's Market Conduct and Trading Policy has rules governing the dealings by the Board members and their close family in Tabreed's securities. A fundamental restriction in place is that no Board member or Tabreed employee is allowed to trade in Tabreed securities during a blackout period. Blackouts occur over the periods when sensitive information is being developed or considered. The table below outlines the Board members' (and their immediate relatives') shareholdings and share transactions during 2025:

Name	Position	Total shares held as of 31/12/2025 / During Membership	Total shares bought	Total shares sold
Dr. Bakheet Al Katheeri	Chairman	0	0	0
Paulo Almirante	Vice-Chairman	0	0	0
Saeed Ali Al Dhaheri	Board Member	5,812,830	0	0
Ali Khalfan Al Dhaheri	Family Member	20,391,240	0	0
Maryam Saeed Ali Shamsi	Family Member	19,190,400	0	0
Shamsa Ali Al Dhaheri	Family Member	70,367	0	0
Fatima Ali Al Dhaheri	Family Member	786,561	0	0
Hissa Ali Al Dhaheri	Family Member	523,889	0	0
Musabbah Al Kaabi	Board Member	0	0	0
Pierre Cheyron	Board Member	0	0	0
Geert Bunkens	Board Member	0	0	0
Mansoor Al Hamed	Board Member	0	0	0
United Al Saqer Group	Related Entity	10,343,305	0	0
Al Nahda International Holding	Related Entity	9,499,995	0	0
Dr. Alyazia Al Kuwaiti	Board Member	0	0	0
Marion Deridder Blondel	Ex-Board Member	0	0	0
Janis Rey Lozada	Board Member	0	0	0



5. FORMATION OF THE BOARD

5.1. Board Composition

The following table outlines details of each Board member holding office during 2025 in terms of independence, executive position and term of office.

Name	Position	Year of Appointment	Executive	Independent
Dr. Bakheet Al Katheeri*	Chairman	2022	✗	✓
Paulo Almirante*	Vice Chairman	2017	✗	✓
Dr. Alyazia Ali Al Kuwaiti*	Member	2023	✗	✓
Musabbeh Al Kaabi*	Member	2021	✗	✓
Pierre Cheyron*	Member	2021	✗	✓
Marion Deridder Blondel*	Member	2024 till February 2025	✗	✓
Janis Rey Lozada*	Member	February 2025	✗	✓
Geert Bunkens*	Member	2023	✗	✓
Mansoor Al Hamed*	Member	2024	✗	✓
Saeed Ali Al Dhaheri	Member	2017	✗	✓

During 2025, the Tabreed Board of Directors had two female members duly appointed by the shareholders, Dr. Alyazia Ali Al Kuwaiti and Janis Ray Lozada.

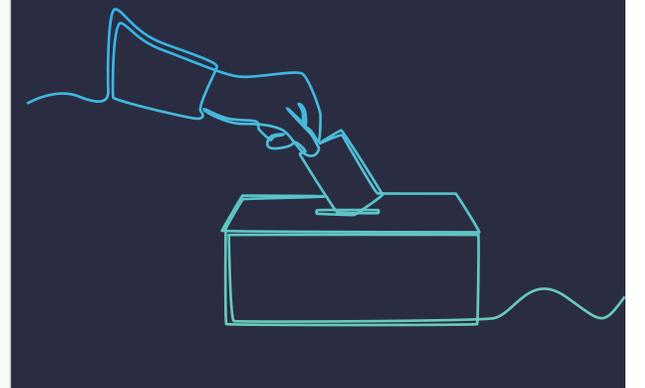
*During last Board election in 2023, before issuance of CMA Resolution amendment 2/2024 to CMA Res 3/2020, all Board members were qualified as independent for their term, except for Khaled Al Qubaisi. The independence criteria to the Board members as prescribed by the CMA Res 3/2020 will be applied to Tabreed Board members at their next election cycle planned for March 2026.



5.2. Elections and terms of office

- The General Assembly has the competence to elect and remove the members of the Board. In accordance with the AoA, the term of each Board member is three years. The Board members are elected by secret ballot. The Board of Directors elects the members of each of the Board committees and designates its Chairman.
- On 12 February 2025, Marion Deridder Blondel resigned from the Board as a member and subsequently was replaced by Janis Rey Lozada to complete the term of her predecessor.
- As per the Commercial Companies Law and Decision 3/2020 when a Board member resigns from his/her position, the Board of Directors appoints a member for the vacant position, and such appointment shall be presented to the next General Assembly to approve such appointment or appoint another person. Accordingly, the appointment of Janis Rey Lozada will be ratified at the 2025 Annual General Assembly meeting, for the balance of the current term.

The next Board Election is scheduled for 2026, where shareholders will appoint a new Board.





5.3. Board Remuneration

The AGA may after setting aside 10% for the statutory reserve from the net profit of the Company, and the shareholder dividend of a maximum of 10% of the capital, approve a percentage of up to 10% of the net profits to remunerate the Board of Directors.

Remuneration paid to the Board members, in aggregate, in 2025 and recommended to be paid in 2026, are as follows:

Sitting Fees and Remuneration	AED
Remuneration for 2024 paid in 2025 after approval at last AGA	8,550,000
Board and Committees sitting fees for 2025 recommended for payment in 2026	0
Remuneration recommended for 2025 to be paid in 2026 after approval at next AGA	8,550,000

Other than the remuneration recommended to be paid in 2026 and referred to above, no other allowances, salaries or additional fees are to be paid to any Board member by Tabreed for 2025.

5.4. Board Meetings in 2025

The Board held 6 meetings in 2025 on the dates set out below:

- 13 February
- 30 April
- 13 May
- 10 September
- 13 November
- 29 December

The following table shows the attendance of each member, or proxy, for the period in which they were elected to the Board:

Meeting Date	Number of Attendees out of 9	Absence or proxy attendance
13 February	7	2
30 April	8	Apology
13 May	7	2
10 September	9	None
13 November	7	2
29 December	7	2

Each absence and proxy referred to above was acknowledged and the reasons for absence were accepted by the Chairman and the Board at the relevant meetings.



5.4. Board Meetings in 2025

The Tabreed Board held two meetings through circular resolutions during 2025 on:

- 12 February appointing Janis Rey Lozada as a new member of the Board in replacement of Marion Deridder Blondel; and
- 7 August (i) approving the unaudited financial report for the period ended 30 June 2025; and (ii) calling for a General Assembly to distribute interim dividend to shareholders.

In September 2025, the Board attended a Board briefing session delivered by Hawkamah in line with regulatory requirements to refresh knowledge and gain additional insights on best practices and recent developments as they relate to Board activity and their duties to act in the best interests of the company and its stakeholders.

Additional to that, in December 2025 the Board of Directors completed a board self-assessment questionnaire conducted by the Chairman with the support of the Company Secretary and Odgers an external provider. Results of the self assessment will be presented back to the Board in the first quarter of 2026.



5.5. Board Terms of Reference

In line with good practice and governance, the Board provides strategic direction to the management team. The Board provides this direction by working with management to establish:

1. The appointment of the Chief Executive Officer and key executives;
2. Board approved Delegation of Authority setting out the levels of approvals required by the Board;
3. Board approved strategic plans – with the growth, revenue and profit targets required by the Board and a reporting mechanism to feedback results;
4. A strong risk management and internal audit environment;
5. The integrity of financial reporting;
6. Proper disclosure and communication with shareholders; and
7. A highly qualified and experienced senior management team.

Each element noted above contributes towards a balanced and effective internal control mechanism over Tabreed's activities which are, in turn, capable of being effectively monitored by the Board.

5.6. Executive Management

- The Tabreed Corporate Governance Procedures Manual and the Board approved Delegation of Authority clearly outline the role that the Board requires from Tabreed's management. Management's primary responsibilities cover the oversight of the day-to-day operations of Tabreed's business, strategic planning, budgeting, financial reporting and risk management.
- Executive management consists of six Chief Officers. These positions, the incumbents, dates of appointment and remuneration received (or accrued) in 2025 (in AED) are outlined below, followed by an Organization Chart in section 5.8.



Position	Fulfilled By	Appointment	Salary & Allowances (AED)	Bonus & Other Incentives (AED)
Chief Executive Officer	Khalid Al Marzooqi	2021	2,872,736	3,530,281
Chief Financial Officer	Adel Salem Al Wahedi	2020	2,401,526	1,836,513
Chief Legal Counsel	Nadia Bardawil	2023	1,448,115	983,772
Chief Operating Officer	Antonio Di Cecca	2022	1,402,599	1,361,045
Chief Development Officer	Philippe Coquelle	2023	1,356,877	878,425
Chief Asset Management Officer	Dr. Yousif Al Hammadi	2022	1,957,587	1,811,555

Note: Dr. Yousif Al Hammadi was appointed Interim Chief Executive Officer in January 2026, succeeding Mr. Khalid Al Marzooqi following his retirement

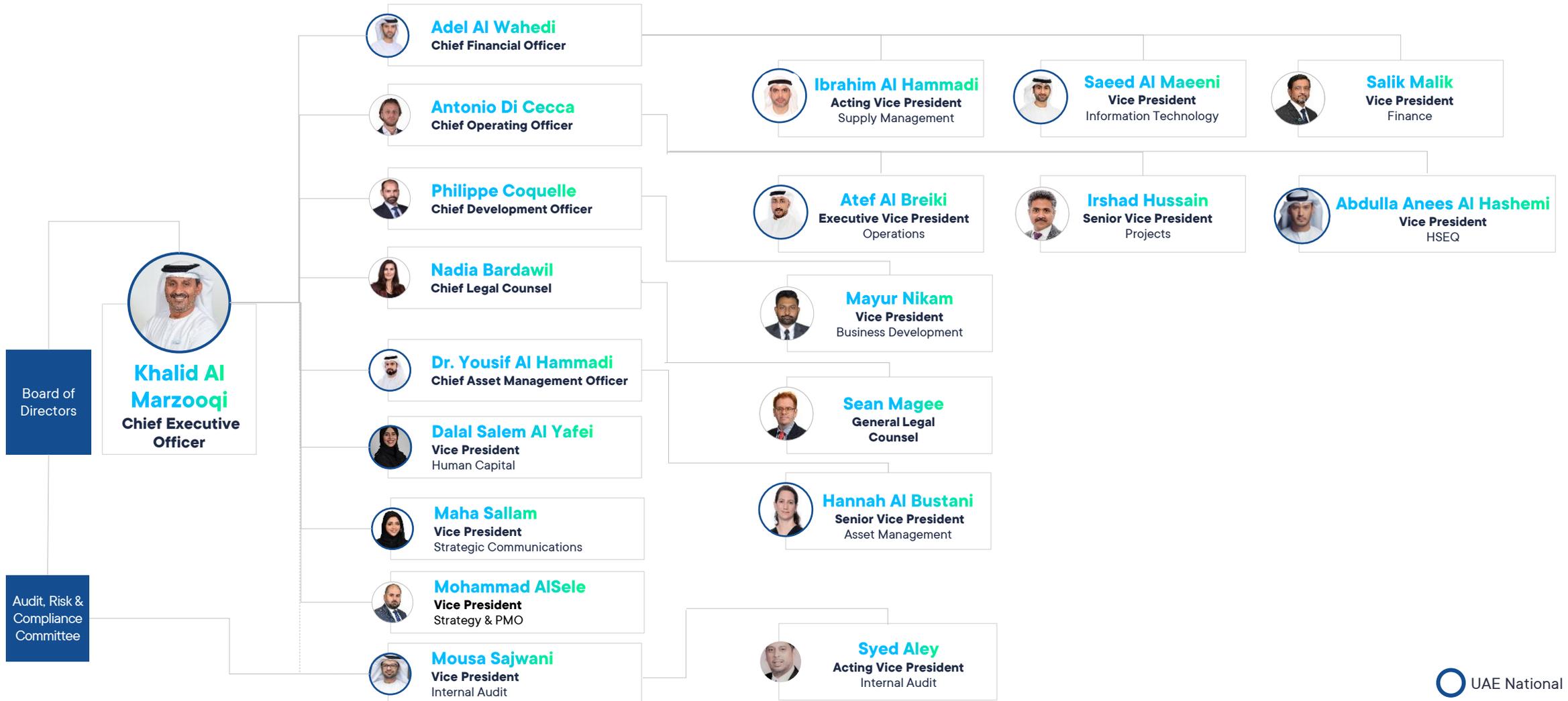
5.7. Related party transactions

Tabreed was not a party to any related party transactions during 2025 based on the definition of “Related Parties” set out in Decision 3/2020.

Tabreed did not enter into any related party transactions in 2025 which exceeded the value of 5% of the capital of the Company.



5.8 ORGANIZATIONAL STRUCTURE 2025



Note: Dr. Yousif Al Hammadi was appointed Interim Chief Executive Officer in January 2026, succeeding Mr. Khalid Al Marzooqi following his retirement



6. EXTERNAL AUDITOR

Ernst & Young (“EY”) were appointed as External Auditors for Tabreed at the Annual General Assembly on 25 March 2025 for a one-year term. Tabreed selected EY as the successful applicant pursuant to a competitive tender process issued by Tabreed in 2024 in respect of the auditing services mandate. Three major audit firms participated in the competitive process.

The E&Y Abu Dhabi office was opened in 1966 and has over 280 professionals, including six resident partners. E&Y are a leading practice offering a wide range of services, including Audit, Business Advisory Services, Business Community Training, International Taxation, Business Risk Services/Internal Audit and Technology & Security Risk Services to a client base including conventional and Islamic banks and financial institutions, oil and gas majors, utilities and manufacturing firms from both the government and private sector.

The scope of the audit for the 2025 financial year, as outlined in their engagement plan, was to:

- Provide an audit opinion on the annual consolidated financial statements in accordance with International Financial Reporting Standards;
- Provide an audit opinion on the financial statements of all subsidiaries and associates of Tabreed in accordance with International Financial Reporting Standards; and
- Provide a review of quarterly interim condensed consolidated financial statements in accordance with International Accounting Standard (IAS) 34.

The following table outlines the audit annual and quarterly related fees for Tabreed group companies for 2025:

External Auditor	EY
Number of Years as External Auditor	4
Total audit fees for 2025	AED 1,252,400
Number of years the Partner of the External Auditor audited the Company	1
Fees for additional work in 2025	AED 1,452,786
Nature of additional work	Regulatory Compliance, ICFR, Prospectus Validation, Tax Audit
Audit fees for additional work done in 2025 by auditors other than those appointed by Tabreed	Nil
Name of partner auditor	Ahmed Al Dali (Registered Auditor Number 5548)

Tabreed’s external auditors did not make any qualified opinion for the annual financial statements for 2025



7. AUDIT, RISK AND COMPLIANCE COMMITTEE

The role of the Audit Committee is outlined in the Board approved Charter of the Audit Risk & Compliance (ARC) Committee and includes:

- Providing advice to the Board on the contracting of an External Auditor and ensuring that the External Auditor fulfils its contractual and professional obligations
- Reviewing and endorsing the quarterly and annual accounts after consideration of accounting policies and standards, assumptions and judgements, compliance with laws and any significant or unusual matters;
- Continually assessing the systems for internal audit and risk management;
- Considering the findings of the external Auditor and making recommendations on those findings;
- Developing procedures which allow employees to raise matters of concern regarding internal audit or financial reports; and
- Reporting to the Board on activities of the ARC Committee.

The ARC Committee also oversees the company's risk and compliance aspects as follows:

Risk:

- Evaluates the effectiveness of the company's risk management system and the mechanisms for identifying and monitoring potential risks, highlighting areas of both strength and potential improvement
- Reviews quarterly reports on the implementation of risk management controls, strategic risks, mitigation strategies, and action plans to ensure their adequacy, and, where necessary, provides recommendations for Board consideration.
- Advises management on enhancing risk management practices, assists in addressing specific risks, and ensures the availability of qualified personnel, adequate resources, and robust systems for effective risk management.

Compliance:

- Review the effectiveness of the system for monitoring compliance with applicable laws, regulation and agreements and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance; and
- Ensure the compliance of the Company with listing and disclosure rules and other legal requirements related to financial reporting;

The following table outlines the membership of the ARC Committee during 2025:

Member	Role	Term	Status
Geert Bunkens	Chairman	From Jan to Dec	Independent, Non-Executive
Dr. Alyazia Al Kuwaiti	Member	From Jan to Dec	Independent, Non-Executive
Saeed Ali Al Dhaheri	Member	From Jan to Dec	Independent, Non-Executive

Geert Bunkens in his capacity as Chairman of the ARC Committee during 2025, acknowledged his responsibility for the ARC Committee system in Tabreed, review of its working mechanisms and ensuring its effectiveness.

The ARC Committee met 5 times, on the following dates, during 2025:

- 12 February;
- 13 May;
- 5 August;
- 8 September; and
- 12 November.

The following table shows the attendance of each member for 2025:

Member	Meetings invited to	Attendance in person	Proxy attendance
Geert Bunkens	5	5	
Dr. Alyazia Al Kuwaiti	5	3	Apology
Saeed Ali Al Dhaheri	5	5	-

Note: Committee members did not receive any fees for attending the meetings that serve the committee of which they are members.



7.1 AUDIT, RISK AND COMPLIANCE COMMITTEE REPORT



Dear Shareholders,

I am pleased to present our Audit, Risk and Compliance Committee (the "ARCC") Report for 2025.

I would like to thank Saeed Ali Khalfan Al Dhaheri and Dr Alyazia Al Kuwaiti for their contribution as a committee member since 2023.

The ARCC assists the Board in fulfilling its independent oversight responsibilities in areas outlined in the Board approved Charter, such as the integrity of financial reporting, the effectiveness of risk management and internal controls, as well as the consideration of ethics and compliance matters. We are responsible for assessing the quality of the audit performed by, and the independence and objectivity of, the External Auditor. The ARCC also makes a recommendation to the Board regarding the appointment or re-appointment of the External Auditor. In addition, we oversee the work and quality of the internal audit function. During the year, the ARCC's core duties remained largely unchanged, and our usual cadence of activities remained in place. However, in recognition of the ARCC's increased focus on risk management and to formalize our role in assisting the Board in this area, our Terms of Reference/Charter were refreshed and endorsed by Board, by incorporating amendments to Corporate Governance guidelines announced by Securities and Commodities Authority (now known as Capital Market Authority) in early 2024..

Our work program over the course of a year focuses on a variety of matters that involve a high degree of judgement and/or are significant to Tabreed's consolidated financial statements. We review with management the sources of estimation uncertainty and other key assumptions against the backdrop of economic and market uncertainty and volatility and evolving stakeholder expectations. In addition, we consider the robustness of the risk and internal control framework, results of internal control testing throughout the year, and remediation activities.

In 2025, the Board and ARCC laid special emphasis on developing, defining and approving the appropriate internal control and risk management framework for Tabreed's work in line with global practices (COSO Framework) and ensuring its implementation. In this regard, we received briefings from the Internal Audit on the effectiveness of Tabreed's internal control system and on the outcomes of significant audits and notable control matters. Furthermore, the ARCC also held discussions with the external auditor on the effectiveness of the established internal control and risk management systems, including effective internal control over financial reporting (ICoFR).

The ARCC has also taken an increasingly comprehensive approach to risk, integrating as much as possible the discussion on risk management (including fraud risks), regulatory compliance and internal audit. As part of its oversight of compliance with applicable legal and regulatory requirements, including monitoring ethics and compliance risks, ARCC discussed with the Compliance Officer activities undertaken in the ethics and compliance program related to compliance with laws and regulations, and steps taken to manage those risks.

Looking ahead to 2026, the Committee's key priorities will include maintaining oversight of Tabreed's risk management and internal control processes, sustaining a strong culture of corporate governance and risk management across the entity, continuing to monitor the impact of economic changes on Company's assumptions, as well as sustainable finance.



7.1 AUDIT, RISK AND COMPLIANCE COMMITTEE REPORT

Composition and Terms of Reference

In line with Article 60, 61 and 62 of Corporate Governance Guide Decision 3/2020 of Capital Market Authority (CMA), the composition of the Audit, Risk and Compliance Committee (ARCC) is as follows:



Chair

Geert Bunkens

Independent Non-Executive Director



Members

Saeed Ali Khalfan Al Dhaheri

Independent Non-Executive Director

Dr. Alyazia Al Kuwaiti

Independent Non-Executive Director

No alternate Directors were appointed as members of the ARCC.

Geert Bunkens has, inter alia, extensive experience in financial planning, mergers and acquisitions and leadership roles. All ARCC members are financially literate, independent Non-executive Directors.

The ARCC, therefore, meets the requirement of Article 60 of CMA Governance rules, which requires at least one (1) member of the ARCC to have prior work experience in accounting or financial affairs, and all members must have knowledge and expertise in financial and accounting matters. The Company's website contains more detailed information on the members of the Committee, and their biographies are set out in the Board of Directors section of this Integrated Annual Report.

During the financial year ended 31 December 2023, Geert Bunkens was appointed as Chair of the ARCC effective from October 2023 in place of Pierre Cheyron who relinquished his Chair.

The Board of Directors (the Board) annually reviews the performance of the ARCC and its members through an effective evaluation exercise. In early 2026, the Board assessed the ARCC's performance

for the financial year ended 31 December 2025 and was satisfied that the ARCC and its members have performed their functions, duties and responsibilities in accordance with the ARCC's Charter.

The role of the Audit Committee is outlined in the Board approved Charter of the Audit Committee (Feb 2025) and includes:

- Providing advice to the Board on the contracting of an External Auditor, ensuring that the External Auditor fulfils its independence, contractual, and professional obligations; and considering the findings of the external Auditor and making recommendations on those findings.
- Reviewing and endorsing the quarterly and annual accounts after consideration of accounting policies and standards, assumptions and judgements, compliance with laws and any significant or unusual matters.
- Continually assessing the systems for internal audit and risk management and implementing procedures which allow employees to raise matters of concern regarding internal audit or financial reports and reporting to the Board on activities of the ARC Committee.
- Evaluates effectiveness of company's risk management system and internal control mechanisms for identifying and monitoring risks, highlighting areas of both strength and improvement while reviewing quarterly reports on the implementation of risk management controls, strategic risks, mitigation strategies, and corrective action plans to ensure their adequacy, and, where necessary, provides recommendations for Board consideration.
- Review the effectiveness of the system for monitoring compliance with applicable laws, regulation and agreements and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance; and ensure the compliance of the Company with listing and disclosure rules and other legal requirements related to financial reporting and related-parties' transactions.



7.1 AUDIT, RISK AND COMPLIANCE COMMITTEE REPORT

The Chief Executive Officer, Chief Financial Officer, Chief Legal Counsel, Acting VP Internal Audit, Chief Operating Officer, Chief Asset Management Officer, Chief Development Officer and Board/Committee Secretary attended ARCC meetings by invitation to provide their input, advice and clarification to relevant items on the agenda. The attendance of other Management team members was by invitation as well, depending on the matters that were discussed. The external auditors were also invited to the ARCC meetings to present their annual audit plan and discuss the quarterly unaudited financial results and annual audited financial statements, as well as other matters deemed relevant.

All deliberations during the ARCC meetings, including the issues tabled and rationale adopted for decisions were properly recorded. Minutes of the ARCC meetings were tabled for confirmation at the following meeting and subsequently presented to the Board for notation. The Chair of the ARCC reported to the Board on the activities and significant matters discussed at each ARCC meeting.

SUMMARY OF KEY ACTIVITIES OF THE ARCC

During the year under review, the ARCC carried out the following activities:

Enterprise Risk Management

- Discussed Monitored and reviewed Tabreed's top enterprise-level risks quarterly to ensure alignment with the Board-approved risk appetite and effectiveness of mitigation measures.
- Identified and assessed emerging risks arising from external and macro-level developments, evaluating potential policy, regulatory, and market changes, e.g., trade tariff changes, and assessed appropriate risk treatment and mitigation strategies.
- Reviewed initiative and asset-specific risks across major recent developments and investments of Tabreed to confirm the adequacy of controls, governance frameworks, and clarity of risk ownership.
- Oversaw the Fraud Risk Assessment project to ensure regulatory compliance, reviewing Phase 1 findings and associated mitigation actions.

Compliance

- Monitored the 2024 Compliance Plan and approved the 2025 Plan. The Compliance Officer regularly updated ARCC on activities reinforcing Tabreed's commitment to Ethics and Compliance. Monitored internal misconduct cases, reviewed ongoing investigations, and directed Management to enhance controls to prevent recurrence.
- Reviewed regulatory updates on CMA and Abu Dhabi Accountability Authority (ADAA) compliance, and progress on ARCC Charter revisions to align with new CMA guidelines.
- Provided oversight and endorsed updates to Tabreed's policies, further strengthening Tabreed's regulatory framework compliance, aligning policies with best practices, and ensuring robust governance and operational excellence, while fostering a culture of improvement and accountability.
- Reviewed and endorsed suggested changes to the Board Membership policy and Fraud Corruption and Misconduct policy.
- The Board Secretary facilitated ARCC's annual performance evaluation by external agency (Odgers), which concluded on a positive note, affirming that the ARCC operates with exceptional standards and professionalism.
- Endorsed appointment of Compliance officer as required under CMA regulations, with functional direct reporting to the Committee.
- Reviewed and endorsed suggested updates to Board, NRC and ARCC charters and Delegation of Authority.



7.1 AUDIT, RISK AND COMPLIANCE COMMITTEE REPORT

Internal Audit (“IA”) and Internal Controls

The Internal Audit (“IA”) function is guided by its Charter, Strategy, and Manual, aligning with the Institute of Internal Auditors Standards and undergoing regular internal and external quality assessments. The department, led by VP - Mousa Sajwani (Syed Aley serving as Acting VP since Oct-2024 to Dec-2025), consists of five (5) members and reports functionally to the ARCC for objectivity and independence.

- Approved the annual IA risk assessment report, used as a basis for developing the audit universe and 3-year audit plan. Provided inputs and endorsed the risk-based 2026-28 Internal Audit Plan for Board approval, ensuring appropriate coverage of Tabreed Group. 11 internal audit assignment activities are scheduled for 2026.
- Endorsed the ‘Integrate Assurance’ approach (in line with ADAA and IIA standards) adopted by Acting VP-IA during refresh of audit risk assessment and 2026 IA Plan, to ensure comprehensive coverage and avoid duplication.
- Monitored progress of the 2025 Internal Audit Plan on a quarterly basis, and obtained assurance on the soundness of internal controls through discussions with AVP-IA.
- Reviewed audit reports, discussed significant issues (high- & medium-risk) and management responses to ensure timely remediation of potential risks/process improvements identified, while monitoring the implementation of corrective actions for outstanding audit findings, guiding management to prioritize closures
- Endorsed the IA Strategy & its roadmap for implementation and IA Charter enacted in line with new internal audit regulations and standards from CMA and IIA - issued in 2024/25.
- Annually evaluate IA function’s KPIs, effectiveness, resources, and costs.
- Reviewed progress and implementation status on adoption of TeamMate+ system by IA team, a key step towards automation of IA activities.
- Evaluated updates from Acting VP-IA in respect of IA monitoring of subsidiaries through its memberships at Saudi, Oman and Bahrain.
- Reviewed amendments to Internal Audit regulations announced by ADAA.
- Endorsed the Internal Control policy enacted in line with new internal audit regulations and standards from CMA and IIA - issued in 2024/25

- Evaluated effectiveness of YR-2025 internal controls based on audit findings, management discussions, and the adequacy of risk management systems, aligned with Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework 2013 and CMA/ADAA guidelines – through independent continuous control assessments conducted by Internal Audit Department.

In 2025, the IA department executed a total of 11 assurance reviews. The reviews covered business priority and key risk areas, focusing on the efficiency and effectiveness of governance and controls across business functions, operations and corporate processes inclusive-of subsidiaries and regulatory internal audit reporting.

External Audit

The 2025 Annual General Assembly (AGA) had appointed Ernst & Young (EY) as External Auditors for 2025-2027, with their re-appointment and fees approved by shareholders in March 2025.

In Year 2025, ARCC reviewed, endorsed and proposed to the Board in line with applicable CMA and ADAA standards and regulations:

- Fees for EY’s audit and non-audit services for the year ending 31 December 2025.
- Assessed EY’s effectiveness and performance based on applicable CMA & ADAA guidelines, especially ADAA Resolution 88 of 2021.
- Reviewed EY’s 2025 audit plan and written confirmation on their independence.
- Oversight of 2025 external audit services, with a recommendation to Board to re-appoint EY for 2026 (subject to shareholder approval in AGA), in line with applicable regulatory guidelines.
- Reviewed EY’s procedures, preliminary findings, and management’s responses to the Management Letter, ensuring appropriate actions were taken.
- Monitored quarterly non-audit services and fees, ensuring EY’s independence, with disclosures in the financial statements.
- Held a closed session with External auditors and obtained assurance on the nature and scope of the audit process and its effectiveness in accordance with the audited standards

In lieu of above, ARCC is satisfied with EY’s quality, objectivity, and effectiveness in its fourth year as the company auditor.



7.1 AUDIT, RISK AND COMPLIANCE COMMITTEE REPORT

Financial Reporting

Reviewed and endorsed Tabreed's unaudited quarterly financial results, audited annual financial statements, and related announcements before recommending them for Board approval. Key activities included:

- Assurance from External Auditor report that the annual / interim financial statements are prepared in accordance with IFRS accounting standards issued by International Accounting Standards Board (IASB).
- Deliberated on significant audit and accounting matters such as management's estimates and judgments, going concern assessment, materiality thresholds, and disclosure sufficiency, as disclosed in notes of the Annual Financial Statements.
- Reviewed compliance with company's accounting policies and IFRS, with focus on significant financial matters such as UAE Corporate Income Tax, loan reclassification, net current liabilities, revenue recognition, provisions, contingent balances, and Sukuk buyback
- Endorsed Income statement, Financials position and Cash flow impact presented by Finance team and 'external auditors report on annual/interim financial statements' in quarterly meetings.
- Reviewed legal and tax matters impacting financial statements preparation.
- Reviewed the external auditor's report on Internal Controls Over Financial Reporting (ICFR) for 2025.
- Assessed significant accounting and reporting areas for 2025 consolidated financial statements, with input from management, internal, and external auditors and their redressal plan..

Key Audit Matter	Committee Activity and Outcome
Revenue recognition	ARC reviewed the audit procedures, and the methodology applied each quarter by external auditors in performing their reviews. ARC was briefed on the treatment of long-term contracts as operating or finance leases.

Related Party Transactions

- Reviewed the annual mandate for related party transactions, including disclosures in notes of the financial statements and compliance section.
- Reviewed update by Legal/Compliance team confirming no related party transactions in financial year 2025 that exceeded 5% of the company's capital in 2025, per CMA requirements.

Other Activities

- Mr. Geert Bunkens, Chair of the ARC Committee, will report to the AGA meeting in March 2026 on the Committee's activities in 2025 and up-to the AGA date.

Conclusion:

- ARC Committee confirms its full compliance with its Charter.
- -At its meeting on 11 February 2026, the ARC Committee reviewed the draft Annual Report & Accounts 2025 and advised the Board that it was fair, balanced, and understandable, providing the necessary information for shareholders to assess the Group's position, performance, business model, and strategy.
- As Chair, I will remain available to engage with shareholders on the external audit scope and other key Audit Committee matters and will be present at the 2026 AGA to answer questions.

The Audit Risk and Compliance Committee of Tabreed i.e., National Central Cooling Company PJSC (the "Company") has prepared this report, in full accordance with the applicable laws and regulations including the information required by Capital Market Authority (CMA) Decision 3/RM/2020 regarding Governance Guide of Public Joint Stock Companies. The report include, in particular, the matters stated in Article 61(bis) of CMA Regulations, as amended by Decision 2/RM/2024, effective from January 2024.

This report has been issued in accordance with the Board's resolution of 12 February 2026 and will be part of Integrated Corporate Governance Report 2025 and available to shareholders, investors and other interested parties on the Company website (www.tabreed.ae) before the next Annual General Assembly Meeting.



8. NOMINATION AND REMUNERATION COMMITTEE

The role of the Nomination & Remuneration Committee (NRC) is to assist the Board in the efficient management of compensation and general human capital management. The key responsibilities of the NRC are outlined in the Board-approved Charter of the NRC and include:

- Verifying the ongoing independence of the independent members of the Board;
- Regulating and overseeing nomination to the membership of the Board;
- Setting and reviewing Tabreed's human capitals policies and procedures;
- Formulating and reviewing, on an annual basis, the framework and broad policy for granting remuneration, terms of employment and any changes, benefits, bonuses, pensions, allowances, gratuities, early retirement and redundancy made to or given to Tabreed's employees, senior management, as well as compensation for Tabreed's Chairman and Board of Directors;
- Ensuring that suitable succession plans are in place at senior executive levels; and
- Reviewing and approving the hiring and termination of senior management staff.

The following table outlines the membership of the NRC during 2025:

Member	Role Term	Term	Status
Dr. Alyazia Al Kuwaiti	Chairwoman	From Aug to Dec	Independent, Non-Executive
Pierre Cheyron	Member	From Jan to Dec	Independent, Non-Executive
Mansoor Al Hamed	Member	From Aug to Dec	Independent, Non-Executive
Saeed Al Dhaheri	Member	From Aug to Dec	Independent, Non-Executive

Dr. Alyazia Al Kuwaiti, in her capacity as Chair of the NRC Committee, acknowledged her responsibility for the NRC Committee system in Tabreed, review of its working mechanisms and ensuring its effectiveness.

The NRC met 4 times, on the following dates during 2025:

- 29 January;
- 10 February;
- 2 July; and
- 10 November.

The following table shows the attendance of each member for the period in which they were elected to the NRC:

Member	Meetings invited to	Attendance in person	Proxy attendance
Dr. Alyazia Al Kuwaiti	4	4	-
Pierre Cheyron	4	4	-
Mansoor Al Hamed	4	2	Apology
Saeed Al Dhaheri	4	4	-

Note: Committee members did not receive any fees for attending the meetings that serve the committee of which they are members



9. OTHER COMMITTEES APPROVED BY THE BOARD

9.1 Finance Committee

The duties of the Finance Committee are outlined below:

- review and endorse the Company's five-year business plans, annual budgets and capital plans, including providing input into performance targets for management;
- review and endorse all investments and commitments in excess of the authority delegated to the Chief Executive Officer;
- track and monitor company financial performance and financial health including providing input into performance reviews for the Company;
- review the financial funding plan of the Company to ensure its adequacy and soundness in providing for the Company's operational and capital requirements, and recommend to the Board, changes in capital structure as need be, including review of the Company's debt and equity structure;
- review and make recommendations concerning the Company's dividend policy;
- review proposed major financing activities;
- review the investment strategies for the Company's cash balances; and
- review, monitor and recommend action on financial risk management including hedging of currency, commodity price and interest rate risk.

The following table outlines the membership of the Finance Committee during 2025:

Member	Role	Term	Status
Mansoor Al Hamed	Chairman	From Aug to Dec	Independent, Non-Executive
Pierre Cheyron	Member	From Jan to July	Independent, Non-Executive
Saeed Ali Al Dhaheri	Member	From Jan to Dec	Independent, Non-Executive
Michael Cleanis	Member	From July to Dec	Independent, Non-Executive

Mansoor Al Hamed in his capacity as Chairman of the Finance Committee, acknowledged their responsibility for the Finance Committee system in Tabreed, review of its working mechanisms and ensuring its effectiveness.

The Finance Committee met 11 times, on the following dates, during 2025:

- 10 February;
- 5 May;
- 12 May;
- 13 June;
- 11 July;
- 6 August;
- 21 August;
- 6 October;
- 30 October;
- 7 November; and
- 29 December

The following table shows the attendance of each member for the period in which they were elected to the Finance Committee:

Member	Meetings invited to	Attendance in person	Proxy attendance
Mansoor Al Hamed	11	8	Apology
Pierre Cheyron	11	11	-
Saeed Ali Al Dhaheri	11	10	Apology
Michael Cleanis	7	5	Apology

Note: Committee members did not receive any fees for attending the meetings that serve the committee of which they are members.



9.2 The Projects Committee:

The duties of the Projects Committee are outlined below:

- review Tabreed's HSE performance and make recommendations as appropriate;
- review policies and procedures related to projects and procurement;
- review project ideas and conceptual studies;
- review new cooling technologies and related feasibility studies scope, conclusion and recommendations; and
- review the major delivery aspects of all new projects, including scope of work, execution strategies, selection of bidders, key project management items, material contractual activities, changes in regulations or new regulations, policies, guidelines and other developments legal framework which could have a material impact on the Company's performance.

The following table outlines the membership of the Projects Committee during 2025:

Member	Role	Term	Status
Pierre Cheyron	Chairman	From Jan to Dec	Independent, Non-Executive
Christophe Dedet	Member	From Jan to Sep	Independent, Non-Executive
Emad Goher	Member	From Jan to Dec	Independent, Non-Executive
Benoit Senejean	Member	From Sep to Dec	Independent, Non-Executive

Pierre Cheyron in his capacity as Chairman of the Projects Committee, acknowledged his responsibility for the Projects Committee system in Tabreed, review of its working mechanisms and ensuring its effectiveness.

The Projects Committee met 4 times on the following dates, during 2025:

- 12 February;
- 12 June;
- 15 September; and
- 11 December

The following table shows the attendance of each member for the period in which they were elected to the Finance Committee:

Member	Meetings invited to	Attendance in person	Proxy attendance
Pierre Cheyron	4	3	Apology
Christophe Dedet	2	2	-
Emad Goher	4	4	-
Benoit Senejean	2	2	-

Note: Committee members did not receive any fees for attending the meetings that serve the committee of which they are members.



9.3 Board of Directors and Committees Evaluation

Tabreed's Board of Directors undertook a board self-assessment evaluation on Board performance and skillsets. This year the report was executed by Odgers, an external consultant with support from the Board Secretary and was conducted in compliance with regulatory requirements.

- **Evaluation Overview:** The self-evaluation questionnaire and Board skills audit were issued to Board Members in November 2025 to evaluate performance and skills, aiming to identify areas for improvement. The results were discussed with board at the February 2026 Board meeting.
- **Key Findings:** The evaluation results showed that the Board is functioning well with strong leadership and governance and a culture of constructive challenge and balanced debate.
- **Audit Skill Matrix Findings:** The skills audit revealed strong technical proficiency in core business areas. The Board is open to ongoing professional development particular in areas relevant to company operations.
- **Committee Performance:** The Board is satisfied with the performance of its committees. As an area for improvement, with reference to Projects Committee, to review the current remit of the Committee with members and consider ways to further enhance project oversight to support key projects delivery.



10. INSIDER INFORMATION AND DEALINGS COMMITTEE

Pursuant to the requirements laid down in Decision 3/2020, Tabreed formed the Insider Information and Dealings Committee that regulates transactions and holdings of Tabreed shares by Board members and employees of Tabreed. The Insider Information and Dealings Policy was approved by the Board on 22 February 2017. Following approval by the Board of the policy, the Insider Information and Dealings Committee operated in accordance with the approved policy as revised from time to time.

The following table shows the Committee members during 2025:

Member	Date of appointment	Role
Nadia Bardawil	May 2023	Chairwoman
Mousa Sajwani	February 2020	Member
Syed Aley*	October 2024	Member
Salik Malik	April 2022	Member

*Syed Aley is Acting VP Internal Audit while Mousa Sajwani (VP Internal Audit) is on military service and therefore fulfilling role as a member of Insider Information and Dealings Committee

During 2025, the committee maintained insider lists for various price sensitive matters and operated in accordance with the Market Conduct and Securities Trading Policy and the Insider Information and Dealings Policy.

Nadia Bardawil in the capacity as Chair of the Insider Information and Dealings Committee acknowledged responsibility for the Insider Information and Dealings Committee system in Tabreed, review of its working mechanisms and ensuring its effectiveness for the year 2025.

Note: Committee members did not receive any fees for attending the meetings that serve the committee of which they are members.



11. INTERNAL AUDIT SYSTEM

Pursuant to Articles 14 & 67 of Decision 3/2020, Tabreed's Internal Audit Department has been established by the Board to provide independent, objective and authoritative advice as well as assurance over the internal audit environment to the Board, ARC Committee and management, to assist them in discharging their functions and duties. The Board of Directors acknowledges responsibility for regularly reviewing the effectiveness of the Internal Audit Department of the Company. The Internal Audit Department reports to the Board and operates under the stewardship of the ARC Committee. This enables the Internal Audit Department to operate in an independent and objective manner while evaluating and contributing to the improvement of the organization's governance, risk management, and control processes using a systematic, disciplined, and risk-based approach.

The scope of internal audit activities are well defined and implemented through approved IA Charter, IA Strategy & IA Manual in line with IIA Standards and include evaluation to ensure - Risks relating to the achievement of (Tabreed)'s strategic objectives are appropriately identified and managed; Compliance with company's policies, procedures, and applicable laws, regulations, and governance standards; Operations or programs are being carried out effectively and efficiently; Information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity; and Resources and assets are acquired economically, used efficiently, and protected adequately.

The designated Internal Audit Officer for 2025 was Mousa Sajwani who was appointed on 23 February 2020 reporting directly to the ARC Committee. Mousa is currently on an annual military duty leave from October 7, 2024, till end of 2025 (during this while Syed Aley – Senior Manager will be acting as Vice President – Internal Audit on his behalf reporting to ARC Committee). Mousa has over 15 years of experience with an industry journey spanning across multiple industries such as Oil & Gas, Regulatory and Utilities with experience in all parts of the Finance division in addition to Asset Management experience. Syed is a seasoned MENA-region GRC professional with over 25 years of experience in various MNCs and Private / Listed Entities across multiple industries (O&G, Utilities, Defense, Shipping, Logistics & Agriculture sectors).

In line with CMA Articles 67 & 68, an annual internal audit was completed by the Internal Audit Department and reported to the ARC Committee and to the Board for 2025. In addition, the Internal Audit Department finalized and issued 11 audit reports to the ARC Committee/ Board including Total Rewards (Payroll), Enterprise Risk Management, Bahrain Procurement and Human Capital, Oman-Procurement and Business Development, Follow-up on 2024 Cybersecurity (ITAR Activity) & HSEQ audits and UAE, Bahrain & Oman Internal Controls (COSO) Reviews.

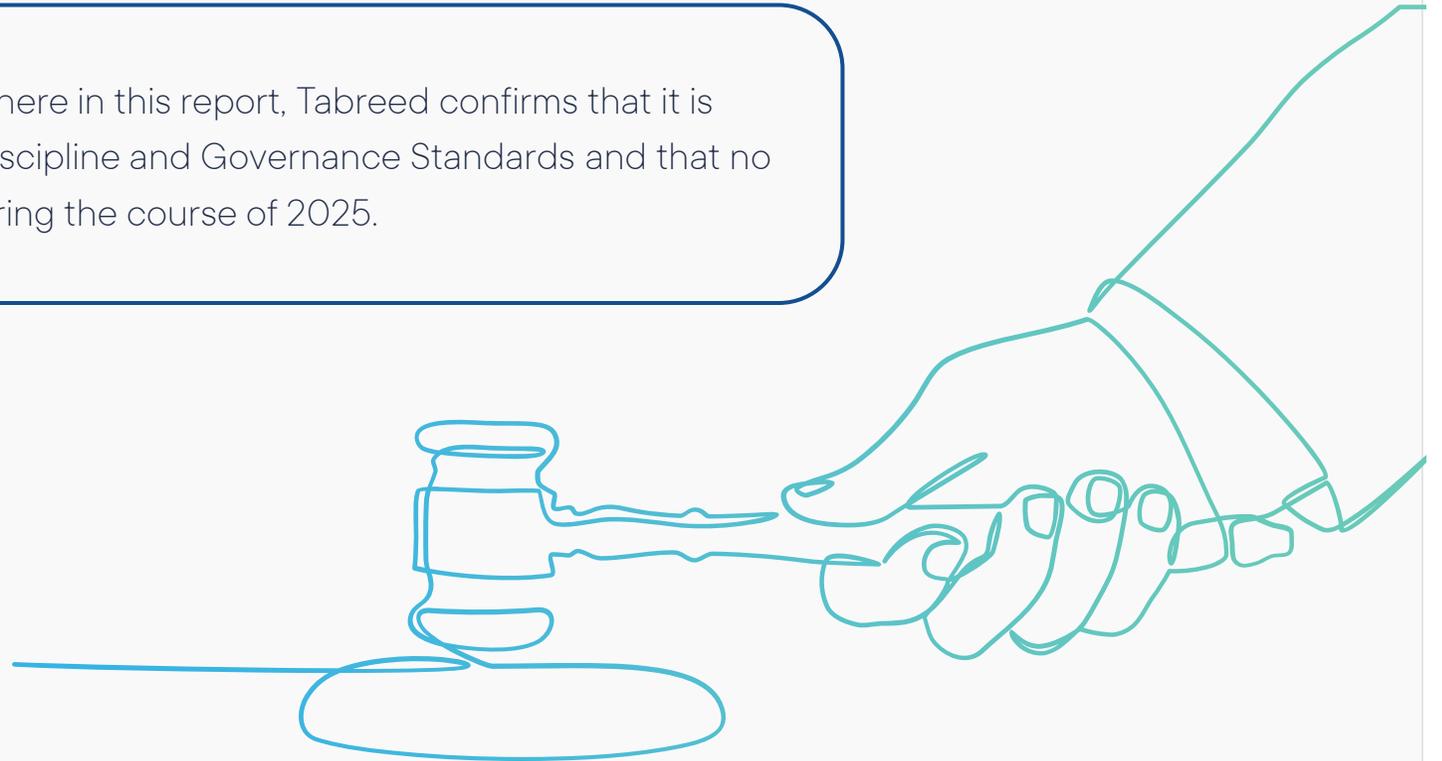
Furthermore, internal audit department completed the annual audit risk assessment which was reported to the ARC Committee and formed the basis for 2026-28 Internal Audit Plan (approved by ARC Committee). The Internal Audit Department also spearheaded an automation initiative "Teammate" to assist in improved management of internal audit engagements, enhance operational efficiency, and promote consistency in audit execution and reporting.

The Board met its internal audit responsibilities in 2025 by reviewing presentations on risk management, discussing internal audit / control issues at Board meetings, and reviewing periodic reports from Board ARC Committee; and found that the internal audit environment was satisfactory for 2025. During 2025, the Company did not face any major internal audit issue requiring disclosure in any report or to the market.



12. IRREGULARITIES IN 2025

Except as otherwise specifically stated elsewhere in this report, Tabreed confirms that it is compliant with Decision 3/2020 on Corporate Discipline and Governance Standards and that no irregularity occurred during the course of 2025.





13. CORPORATE SOCIAL RESPONSIBILITY: CODE OF CONDUCT AND LOCAL COMMUNITY DEVELOPMENT

Tabreed's approach to corporate social responsibility involves adopting business practices that, in addition to being compliant with applicable legal and regulatory requirements, are based on ethical values and respect for the immediate community and stakeholders of the Company (being employees, customers, partners, investors, suppliers, vendors, government and the environment).

Tabreed is also conscious about its overall social impact and understands the increasing expectations of its stakeholders in relation to how Tabreed conducts its business. Consequently, Tabreed chooses to be socially responsible and to contribute as a sustainable business to positively impact the wider community.

In light of the above, Tabreed has in place a Code of Conduct, which is regularly revised and updated, sets out internal rules and requirements for:

- Improper payments;
- Market misconduct;
- Prevention of fraud, and money laundering;
- Entertainment and gifts;
- Working with stakeholders, suppliers and government;
- Sponsorship and CSR Policy;
- Serving the community; and
- Sustainability and corporate social responsibility.

Tabreed's Code of Conduct sets out the framework, values, principles and standards by which we expect all our employees to abide when dealing with vendors, customers, contractors and other external stakeholders, as well as when dealing with colleagues, affiliates, subsidiaries and internal departments.

In 2025, all Tabreed employees and Board members were required to complete an annual declaration confirming compliance with the Code of Conduct, disclosing any matters of potential non-compliance to the Tabreed compliance team for its review and consideration.

This is a practice undertaken annually in addition to quarterly updates requested from Board members through the year and requests for ongoing reporting from employees to be made throughout the year.

Tabreed maintained in 2025 a dedicated, anonymous whistleblowing hotline which is available to Tabreed staff to make declarations on possible breaches of code of conduct or other unacceptable behavior within the company. Communications to staff have emphasized that the hotline is run by an independent operator and disclosures can be made anonymously and disclosures will be passed to the Compliance team for its review.

Local Community Development

As part of Tabreed's commitment to responsible corporate citizenship, the Company continued to advance community-focused initiatives that promote education, inclusion, and environmental stewardship. During the year, Tabreed distributed school backpacks to children, planted trees at the Dubai Center for People of Determination, and organized toy-making workshops for underprivileged children. Employees also participated in mangrove planting and kayaking activities to enhance coastal ecosystems and support national climate objectives. In addition, Tabreed welcomed students from Khalifa University to the YAS Island plant, providing the next generation of innovators with first-hand exposure to district cooling technologies and their role in sustainable energy systems. These initiatives contribute to key UN Sustainable Development Goals—including SDG 4 (Quality Education), SDG 10 (Reduced Inequalities), SDG 11 (Sustainable Cities and Communities), SDG 13 (Climate Action), SDG 14 (Life Below Water), and SDG 15 (Life on Land)—and underscore the Company's commitment to youth engagement, social value creation, and environmental sustainability.

The Tabreed Compliance team maintains on an annual and regular basis the online training for all Tabreed corporate staff on the subjects of Anti Bribery and Corruption, Anti Money Laundering and Delegation of Authority. Participation of 100% of corporate staff was recorded via our E-learning provider.



13.1. WIZe Initiative

As part of our commitment to excellence, Tabreed continues to foster a culture of mindful decision making and financial prudence through WIZe, the cost-optimization initiative launched in 2023.

By embracing this initiative, Tabreed reinforced its position as a forward-thinking company that values the importance of strategic decision-making demonstrating the management's prudence in identifying and capitalizing on cost-saving opportunities to streamline the processes, eliminate unnecessary expenditures and fortify the overall operational efficiency.

WIZe has not only proven successful but has also underscored the collective impact of our employees in driving cost-savings and advancing our journey towards financial resilience and sustainable growth.

13.2. Plant visits

New Joiner Employees are invited to tour our plants amongst their joining and all Tabreed VPs complete a minimum of 6 Plant visits per year. Plant visits will give insights on the operations of district cooling plants.

13.3. Student Internships

Tabreed's Internship Program (TIP) is a comprehensive opportunity, welcoming applicants of all nationalities, including individuals who have graduated. This program is crafted to offer valuable career-related experiences, extending beyond the traditional confines of student internships. Tabreed recognizes the significance of internships in shaping the professional journey and believes in providing a platform for individuals, irrespective of their academic status, to gain practical insights and enhance their career development.

13.4. AI Reyadah Program

Tabreed has implemented a development programme to further develop the skills of UAE national employees to accelerate their contribution to Tabreed's performance-driven culture by creating alignment between the company goals and employee performance, which includes a development program with specific and measurable milestones to monitor professional development to ensure employees are being effectively developed and trained to take on increasingly senior roles within the organization.

13.5. Culture & Engagement & Employee Wellbeing

Tabreed is committed to strengthening organizational culture and employee engagement through annual initiatives and continuous feedback channels. Tabreed also provides an employee wellbeing platform to support mental, emotional, and physical wellbeing across the workforce. Culture and engagement are driven from leadership through all levels of the organization, reinforcing Tabreed's values, and supporting the overall wellbeing and engagement of the employees. This integrated approach ensures a healthy culture that supports performance, retention, and long-term employee engagement.

13.6. Succession Planning

Tabreed has established a succession plan framework to provide continuity in leadership and avoid extended and costly vacancies in key positions. Succession planning is a process for identifying and developing internal people with the potential to fill key business leadership positions in the Company. Succession planning in senior roles is considered an essential job requirement. Critical Role Job incumbents are accountable for identifying and developing their potential successors to provide with a continuous flow of talented people to meet the Company's needs.

13.7. Compliance Week Campaign

In September 2025, Tabreed delivered a Compliance Week campaign, highlighting the critical role of compliance principles in the business. The initiative was well received by staff and featured several engaging activities, including: (1) Infographic briefings on Key Compliance Briefings; (2) Compliance Podcast webinar: Dominic Shiels and Tabreed Compliance Officer Nadia Bardawil presented to staff on "Compliance Investigations" using live and practical examples; (3) Plant visit: A quiz with Tabreed O&M staff highlighted key compliance messages; and (4) Compliance Jeopardy Quiz: A "Compliance Jeopardy" quiz held in Tabreed's HQ reinforced key compliance messages in a fun and interactive way.



14. SUSTAINABILITY, OCCUPATIONAL HEALTH & SAFETY, AND QUALITY

14.1 Sustainability

14.1.1 Environmental Management

The Company complies with all applicable UAE environmental laws and regulations and has received specific permits from the UAE Environment Agencies in each applicable Emirate.

- Tabreed achieves Verified Carbon Standard for carbon credits generation from one of its district cooling projects
- In relation to effluent water release:
 - Obtaining permits for plant effluent water release from Environmental Agency Abu Dhabi (EAD) after undertaking to control certain parameter requirements such as acidity, turbidity and conductivity of the effluent.
 - In relation to emissions into the air:
 - Air quality is monitored at all plants on regular basis, including for the presence of formaldehyde.
 - Environmental inspection is carried out for Department of Energy licensed plants.

14.1.2 Go Green Initiative

Go Green is an initiative to support Tabreed's efforts on sustainability with a keen focus on the reduction of its environmental impact. A core element of this initiative is reduction in the amounts of resources consumed which will consequently reduce waste generated by the Company. In the primary phase, this initiative focused on Tabreed Head Office with requirements, such as energy efficiency and reduction in generated waste (e.g., reducing paper and plastic usage). The following are a few accomplishments:

- Secure printing initiative: decrease in the number of printers (group and standalones) with the implementation of secure card operated printers for increased security and usage efficiency.
- Digital signature initiative: adopted paper-free, fast and secure processes to send, sign, and approve documents.
- Solar panels installed in two of Abu Dhabi plants with a generation capacity of 1.0 MW each to feed into the LV network.

- Paperless project site initiative: Tabreed's Projects department identifies sites for paperless transactions; an action plan is set and achieved to reduce paper usage by a certain percentage at these sites.
- Plastic bottles initiative: usage of plastic water bottles has been stopped, dispensers along with biodegradable paper cups placed, and refillable, sanitized metal water bottles were provided.
- Nanoparticles injection completed at three plants in Dubai; Auto tube cleaning system for chiller tubes installed at one plant; Sky Cooling - passive radiative coolers at one plant. All these initiatives resulted in efficiency improvement by up to 10% at plant level.

14.1.3 Waste Management

Tabreed continued to comply with relevant UAE federal / local authorities by enforcing its Waste Management Reduction Plan that applies to all its plants, project sites and offices, with the key objectives to protect the environment and minimize / reduce waste materials through prudent waste management program..

14.1.4 United Nations Sustainable Development

In addition, we are working to align our business strategy with the United Nations (UN) Sustainable Development Goals ("SDGs"). As a member of the "Cool Coalition" steering committee - a United Nations initiative - we have supported the UN SDGs since their inception. So far, we have set aggressive goals that align to the objectives and targets of several SDGs.

Sustainability is at the core of Tabreed's operations. It reflects the company's commitment to energy efficiency and to the environment, to its customers and to the sustainable socio-economic development of the region. They guide our day-to-day work, environmental and governance practices as well as our social



14. SUSTAINABILITY, OCCUPATIONAL HEALTH & SAFETY, AND QUALITY

14.2 Focus on Occupational Health and Safety

Health, safety, and environment or HSE is the cornerstone of our operations and an integral part of business planning and strategic goal setting

14.2.1 Leadership & Commitment:

- Top management is fully committed to HSE with direct reporting line to the COO
- HSE performance reporting is done to the Board of Directors on monthly basis
- HSE steering committee comprises HSEQ, Operations, Projects, and Supply Management departments
- Multiple plant and site visits performed each year by Chiefs, VPs, and senior management
- Management Review is done on regular basis to ensure continual improvement
- Compliance to regulatory authorities (DOE/ADOSH, NCEMA, DM, HAAD, TADWEER, and EAD etc.)
- Assigned DSS+ to perform a consultancy work "Risk-Based Assessment & Improvement Roadmap"
- Improved the monthly HSE Heroes Award
- Assigned WSP consultant to review and update Integrated Management System (IMS) and Business Continuity Management System (BCMS) documents (Policy, Framework, Procedures, Guidelines, Forms and etc.)
- Enhanced Behavioral Based Safety through different campaigns on Heat Stress, HSE Week, Home Safety and Annual HSE Award with eight (8) categories
- HSE Work Force Committee was formed, comprises Projects, HSEQ, HC, SM, Communications and Finance departments
- Business Continuity Management and Emergency Committee was formed, comprises O&M, HSEQ, IT, Communications, Projects, SM and HC departments
- Major drill on Business Continuity Management and Emergency is carried out
- Internal IMS Audit by HSEQ team is carried out for various department (12 departments)

14.2.2 IMS Policy:

Key aspects of the IMS policy are as follows:

- Integrate Quality, Energy Management and Business Continuity with OH&S and Environment
- Conduct business in socially responsible manner
- HSEQ 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 and quality performance.
- IMS Policy to include Business Continuity Management System requirements following the ISO 22301 certification.

14.2.3 Certifications:

Recipient of the latest revisions of the ISO certifications:

- ISO9001:2015 for Quality Management Systems
- ISO14001:2015 for Environment Management Systems
- ISO45001 2018 for Occupational Health and Safety Management Systems
- ISO50001:2018 for Energy Management Systems – the first DC company in the region to have done so
- ISO 22301:2019 for Business Continuity Management System – the first DC company in the region to have done so



14.2.4 Implementation and Performance:

- HSE aspects integrated at project conceptual / design stages
- Development of Tabreed's HSEQ and Energy Management manual
- Frequent Regular internal and external HSEQ audits to ensure compliance to ISO standards, UAE regulations (ADOSH, DM, etc.) and international standards
- Mandatory regular HSE trainings and awareness programs to enhance HSE readiness
- Robust Permit to Work (PTW) system
- Action tracking system for effective monitoring of HSE performance, objectives and KPIs
- 5.2 million man-hours without any major injuries, until the end of Nov. 2025
- Robust behavioural-based safety (BBS) program to ensure compliance with HSE culture
- Innovative ideas to strengthen HSE culture, such as HSE Walls, Electronic Display Screens, and Black-White Points System to enhance contractor management
- Legal Register & Other Requirements document is updated to include BCMS
- New template for Risk Register is developed. Updated based Federal / Local regulations, ADOSH requirements, International Best Practices or any new hazards identified at Tabreed facilities (head office, plants and project sites)
- A full-scale welfare facility survey conducted by HSEQ, covering the existing arrangements (availability of pantry, washrooms, changing rooms, meeting rooms, prayer room, office and etc.)
- Developed Standard for Defeat Management
- Developed Standard for Energy Isolation

14.2.5 Automation and AI to ensure HSE Compliance:

Key endeavours include:

- Integrating AI with CCTV at the plants
- Lone worker application to monitor safety and wellbeing of those working in remote areas or alone at a plant
- Digitalization of Tabreed PTW and LOTO processes
- Headcount system for the head office
- Automation of integrated HSE process on Permit to Work (PTW), Incident Reporting, HSE Inspection, HSE Audit, Management of Change (MOC) and Action Tracking Register

14.3 Enterprise Quality Management (EQM):

Tabreed is certified under ISO9001:2015 and integrates its quality management system with other management systems, such as ISO45001 (OH&S), making it ever more essential to ensure sound integration while documenting and implementing the quality management program across the organization.

To ascertain sustained Business Excellence Tabreed has endeavored on EQM, an organization-wide Total Quality Management program with the following core objectives:

- Providing insight on quality management functions by Tabreed HSEQ and other departments and mapping them against the essential clauses from ISO9001, 9004 and the SKEA (Sheikh Khalifa Excellence Award) model.
- Finding discrepancies in existing quality management efforts.
- Continue to improve to overcome such discrepancies.
- Integration on a unified platform all the quality efforts.



15. GENERAL INFORMATION

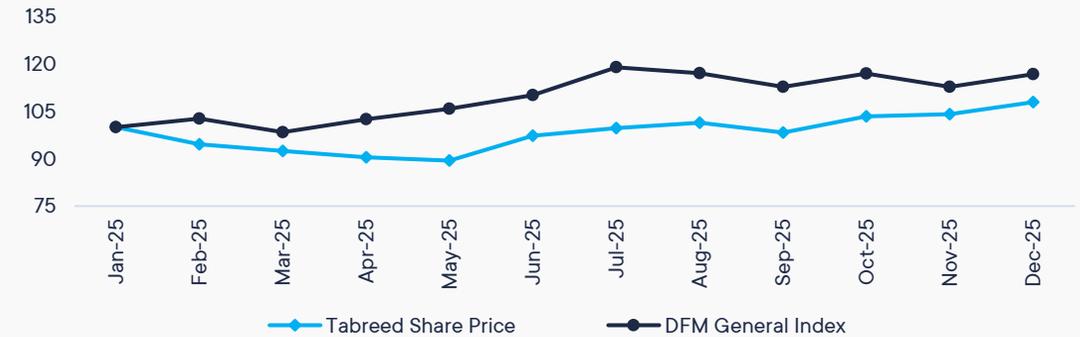
15.1 Share Price

The following table presents the highest and lowest share price of Tabreed during each month of 2025 and shows the closing price of Tabreed, Market Index and Sector Index at the end of each month during 2025:

	Tabreed Share Price (AED)			Market Index	Sector Index	Share Performance	
	Highest	Lowest	Closing			vs. Market	vs. sector
January	3.07	2.88	2.92	5180.37	957.62	-3.1%	6.2%
February	3.00	2.75	2.76	5317.63	956.32	-7.9%	-5.4%
March	2.82	2.60	2.70	5096.24	914.57	2.1%	2.3%
April	2.82	2.49	2.64	5307.15	973.04	-6.1%	-8.1%
May	2.78	2.56	2.61	5480.51	980.50	-4.3%	-1.9%
June	2.90	2.57	2.84	5705.76	1022.76	4.5%	4.3%
July	3.00	2.74	2.91	6159.15	1016.22	-5.1%	3.1%
August	3.01	2.80	2.96	6063.61	1006.09	3.3%	2.7%
September	3.06	2.85	2.87	5839.64	989.07	0.7%	-1.4%
October	3.09	2.86	3.02	6059.43	1010.10	1.4%	3.0%
November	3.33	2.97	3.04	5836.89	994.68	4.5%	2.2%
December	3.20	2.94	3.15	6047.09	1008.31	0.0%	2.2%

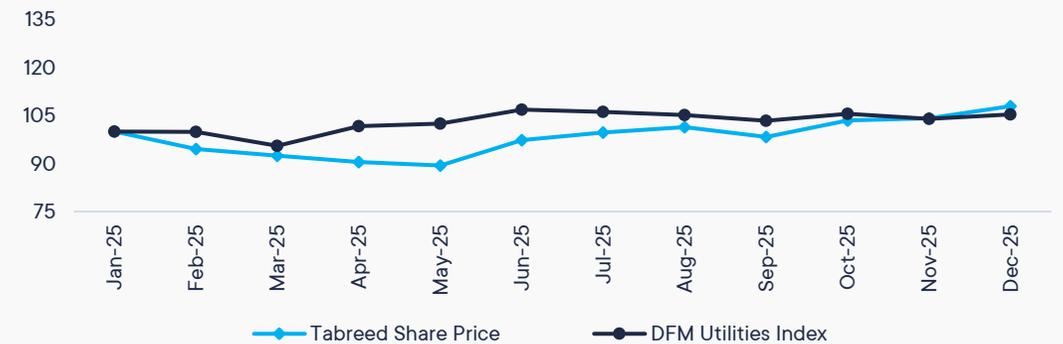
Tabreed Share Price versus Market

(Rebased to 100)



Tabreed Share Price versus Sector

(Rebased to 100)





15.2 Shareholder Ownership

Shareholder Ownership (%) as at 31 December 2025 is as follows:

	Total	Individual	Company (incl. Institutions & Banks)	Government
Local (UAE)	52.02 %	5.29 %	46.73 %	0.00 %
GCC	1.99 %	0.26 %	1.73 %	0.00 %
Arab	0.37 %	0.31 %	0.06 %	0.00 %
Others	45.62 %	0.40 %	45.22 %	0.00 %

15.3 Ownership - 5% or More

Shareholders who own 5% or more of the share capital as at 31 December 2025 are:

Name	Number of shares owned (million)	% Ownership
GDF International	1,138.108	40.00 %
General Investments FZE	1,087.217	38.21 %

15.4 Shareholders Ownership Distribution

Shares owned	No. of Shareholders	No. of shares held	% of the shares owned
1 Less than 50,000	17,010	31,932,998	1.12 %
2 From 50,000 to less than 500,000	295	45,750,444	1.61 %
3 From 500,00 to less than 5,000,000	80	115,279,187	4.05 %
4 More than 5,000,000	23	2,652,308,441	93.22 %
Total	17,408	2,845,271,070	100.00 %

Source: Dubai Financial Market

15.5 Investor Relations

For the purposes of Article 51 of Decision 3/2020, the officer in charge of Investor Relations (IR) and Shareholder Communications for the Company is Yugesh Suneja, Head of Investor Relations. Contact details of IR Department are:

- Email address: ir@tabreed.ae;
- Telephone: +971 2 202 0400

Further information in relation to investor relations is available in the "Investor Relations" section of Tabreed's website: www.tabreed.ae.



15.6 General Assemblies; Special Resolutions

Tabreed conducted two general assembly meetings in 2025, namely its Annual General Assembly on 25 March 2025, and a General Assembly meeting on 15 September 2025 where the following special resolutions were passed to during the Assembly

15.6.1) 25 March 2025 AGA Special Resolutions:

- Authorise the Board of Directors of the Company, for a period of 12 months, to issue non-convertible (into shares) bonds and/or sukuk (whether directly or through a special purpose vehicle) in accordance with this special resolution, in one or more tranches, to be offered to qualified investors, with a total value of up to USD 1 billion (or equivalent) in aggregate and at a profit rate not exceeding the prevailing market rate available to companies with the same credit rating as the Company, in each case as the Board of Directors of the Company sees fit.

15.6.2) 15 September 2025 GA Special Resolutions:

- Amend the Company's Articles of Association by adding a new paragraph 4 to Article 30 authorizing the general assembly or the board to distribute quarterly or semi-annual dividends to shareholders from operating profits and the board of directors be authorized to adopt and implement such resolutions

15.7 Board Secretary

Sean James Magee is the Company Secretary of Tabreed and was appointed on 11 May 2022. Sean James Magee is an experienced UK qualified lawyer with experience across infrastructure projects and operations, corporate and commercial matters, with experience in the UK and the UAE. The primary responsibilities of the Company Secretary are to promote corporate governance excellence within the Boardroom and to ensure that a healthy relationship exists between the Board and the management of the Company. The Company Secretary ensures compliance with applicable corporate governance requirements and regulations at all times. The Company Secretary also coordinates meetings of the Board of Directors, circulates the agenda and supporting information in advance of the meetings and then prepares and finalizes the minutes of those meetings. Currently the Company Secretary acts independently from management and reports directly to the Board in his capacity as the Company Secretary, however Sean Magee is an employee of the Company, in a separate capacity as the General Counsel. Sean re-qualified as a DFM approved Company Secretary in May 2022.



15.8 Significant Events – 2025

Date	Events
13 February	Tabreed, released its consolidated financial results for the year 2024, reporting a revenue of AED 2.434 billion and a net profit before tax of AED 624 million, representing a 4% increase over 2023 (excluding one-offs). EBITDA increased by 5% year-on-year to AED 1.252 billion, with an improved margin of 51%, while net profit after tax stands at AED 570 million, up 32% compared to AED 431 million in 2023.
6 March	Tabreed, announced the successful raising of USD 700 million via an inaugural, five-year green sukuk – the first issuance under its new USD 1.5 billion trust certificate issuance programme. The new sukuk will be listed and traded on London Stock Exchange's International Securities Market.
17 March	Tabreed and Dubai Holding Investments, part of Dubai Holding, entered a concession agreement to provide district cooling services for Palm Jebel Ali in Dubai. The agreement establishes a venture, with Tabreed holding a 51% stake and Dubai Holding Investments 49%. This structure is designed to optimise cooling capacity, enhance information-sharing and strengthen customer protection.
25 March	Tabreed shareholders approved a dividend payment of 15.5 fils per share, paid fully in cash in recognition of the company's strong performance throughout 2024. Tabreed reported record revenues and a 32% increase in net profit after tax.
13 May	Tabreed, released its consolidated financial results for the first quarter of 2025, once again reporting increases in EBITDA and net profit over the same period last year. The company's EBITDA increased by 4% year-on-year to AED 283 million, with an improved margin of 61%, while net profit after tax increased to AED 115 million in Q1 2025, growing by 3% compared to Q1 2024.
16 June	Tabreed and Emerge, a joint venture between the UAE's Masdar, a global clean energy leader, and France's EDF Group, announced the completion of a new project to integrate solar energy into two district cooling plants serving the Ministry's facilities in Abu Dhabi.
30 June	CVC DIF, the infrastructure strategy of leading global private markets manager, CVC, and Tabreed, entered into a partnership to acquire PAL Cooling Holding from Abu Dhabi's Multiply Group. The transaction, with an equity value of approximately AED 3.8 billion, includes three long-term concessions in the Abu Dhabi main island area and five long-term concessions on Al Reem Island.
7 August	Tabreed, announced the results for the six-month period ended 30 June 2025, reporting revenues of AED 1.11 billion and a net profit of AED 276 million. The results reflect strategic momentum across Tabreed's platform, with improved margins, cost discipline and sustained demand, laying the foundation for continued growth. Consequently, Tabreed's Board of Directors proposed an interim dividend of 6.5 fils per share for the first half of 2025, or 67% payout based on H1 2025 net profit. This marked the first interim dividend in the company's history and reflects the Board's confidence in Tabreed's performance, outlook and ability to deliver sustainable long-term value.
11 September	Tabreed, announced a significant new connection to one of its networks in Dubai: The 93-storey City Tower 1, a development by H&H, now being supplied with 5,300 Refrigeration Tons (RT) of sustainable cooling from Tabreed's existing DC plant in the Al Satwa district.



15.8 Significant Events – 2025 (Cont.)

Date	Events
15 September	Tabreed shareholders approved at its General Assembly for an interim dividend of 6.5 fils per share, representing AED 184.9 million, for the first half of 2025. This marks the first interim dividend in Tabreed's 27-year history, reflecting the company's record first-half performance, with revenue rising 3% year-on-year to AED 1.11 billion and net profit reaching AED 276 million, supported by strong cooling demand and significant capacity growth across key markets.
22 September	As part of a joint commitment to advancing global best practices in district cooling, Tabreed with Johnson Controls have signed a framework agreement to accelerate the development and deployment of next-generation cooling technologies. Tabreed is working on multiple long-term projects, many of which will be covered by the agreement. This collaboration targets measurable gains in energy efficiency, reliability and total cost of ownership, while supporting regional climate neutrality strategies and corporate ESG priorities.
13 October	Tabreed, announced the successful completion of two transformational infrastructure transactions that significantly accelerated its growth trajectory and strengthen its long-term, concession-backed business model. Tabreed, alongside global infrastructure investor CVC DIF, has completed the acquisition of PAL Cooling Holding from Multiply Group, following regulatory approvals. These milestones represented a major acceleration in Tabreed's growth strategy, boosting operational capacity, diversifying its concession portfolio and enhancing long-term cash flow visibility.
21 October	Tabreed, announced the appointment of Arqaam Securities LLC, a leading regional financial institution, as liquidity provider for its shares listed on Dubai Financial Market (DFM). This initiative is part of Tabreed's ongoing efforts aimed at strengthening the trading dynamics of the company's shares by improving liquidity and creating accessible market for investors.
28 October	Tabreed, announced the successful raising of AED 1.8 billion new bank debt to support its strategic growth initiatives and optimise its capital structure. The new loan is part of Tabreed's plans to finance the company's capital needs and diversify its funding sources, including funding investment and growth requirements.
3 November	Tabreed announced the settlement of its USD 500 million Trust Certificates due in 2025, originally issued in October 2018 and maturing on 31 October 2025. The seven-year senior unsecured Sukuk was issued under Regulation S format and listed on the London Stock Exchange.
6 November	Tabreed announced its inclusion in the MSCI Emerging Markets Small Cap Index, effective close of 24 November 2025. This development reflected Tabreed's continued growth trajectory, increasing institutional confidence in the company's fundamentals and long-term strategy.
13 November	Tabreed announced the results for the nine-month period ended 30 September 2025. Reporting a total connected capacity arisen by 4.5% year-on-year to 1.38 million Refrigeration Tons (RT) as of 30 September 2025, with a record 52.9k RT organic capacity added year-to-date – more than double the full-year 2024 total.
16 December	Tabreed announced a new sustainability partnership with Sparklo, a UAE-based cleantech company building smart recycling infrastructure. The collaboration is meant to install 16 reverse vending machines (RVMs) – called Sparklomats – across the UAE, enabling residents to recycle plastic bottles and aluminum cans in exchange for digital rewards.



15.9 Emiratization Percentage

In respect of the total headcount of Tabreed's corporate operations, Tabreed held the following Emiratization levels in respect of the periods stated below:

2025	44% Emiratization
2024	42% Emiratization
2023	40% Emiratization
2022	42% Emiratization
2021	43% Emiratization
2020	41% Emiratization

15.10 Innovative Projects

During 2025, Tabreed further advanced its innovation agenda through structured governance and active engagement with emerging technologies. Regular Innovation Committee reviews, participation in key regional and international energy forums, and collaboration with technology providers under non-disclosure agreements have enabled the evaluation and deployment of high-impact solutions aligned with energy efficiency, renewables integration, and sustainability. These efforts continue to position Tabreed as a technology-led leader in efficient and future-ready district cooling.

Building on earlier electrical-efficiency initiatives, Tabreed continues to achieve measurable reductions in electricity consumption and associated CO₂ emissions across its district cooling portfolio. By leveraging extensive historical plant data, Tabreed has strengthened its energy-modelling and process-insight capabilities to enhance operational efficiency and support the optimized design of future plants. These data-driven tools enable continuous performance improvement and reinforce Tabreed's long-term decarbonization objectives.

Planned projects include:

Nano Technology

- Following the successful completion of nanoparticle technology pilots, which demonstrated 9–12% improvement in chiller electrical efficiency, Tabreed plans to expand the deployment of this solution across a broader portfolio of district cooling plants. The wider rollout aims to further reduce specific energy consumption, enhance heat-transfer performance, and deliver sustained reductions in electricity usage and associated CO₂ emissions across operating assets.

PCM based TES

- Tabreed, in collaboration with ENGIE, completed a comprehensive technical and economic evaluation of market-ready Phase Change Material (PCM) Thermal Energy Storage (TES) solutions, assessing temperature losses, energy density, footprint, and cost using advanced transient heat-transfer modelling. The study benchmarked shell-and-tube and packed-bed PCM technologies to identify viable options for load shifting and peak-demand reduction, while highlighting the importance of optimized PCM selection and heat-exchanger design to minimize ΔT and maximize effective storage performance. As a next step, Tabreed plans to shortlist suitable PCM TES solutions for pilot deployment and further evaluation under actual plant operating conditions..

Solar Panels

- Building on the successful installation of 1 MW solar PV systems each at the at two plants, Tabreed will continue implementing on-site solar PV across additional plants and facilities. This initiative supports increased renewable energy penetration within operations, reduces reliance on grid electricity—particularly during peak demand periods—and contributes to long-term energy cost optimization and decarbonization targets.

Net-Zero Strategy

- Tabreed is progressing its Net Zero Strategy and is engaging with consultant to develop a structured roadmap that will guide future investments in renewables, TES optimization, AI-based energy modelling, and water-saving technologies—supporting Tabreed's long-term decarbonization goals.



Tabreed continues to explore and adopt cutting-edge technologies to shape the next generation of district cooling. Our strategy is strongly aligned with enhancing operational efficiency, sustainability, and long-term decarbonization, while positioning Tabreed as a regional leader in technology-driven cooling transformation.

Current innovation focus areas include:

(1) Efficiency Enhancement (2) Energy Optimization (3) Renewables Integration (4) Demand side management enhancements

Completed Pilot Projects: Efficiency Gains & CO₂ Savings

Tabreed has delivered a number of impactful projects, achieving significant efficiency gains and measurable CO₂ reductions across its district cooling portfolio. Leveraging extensive historical plant operating data, the company has developed advanced energy-modelling and process-insight tools to enhance operational performance and inform the optimized design of future plants, alongside the successful commissioning of key innovation initiatives such as the G2Cool geothermal cooling project with ADNOC and Masdar City during COP28—demonstrating meaningful energy-efficiency improvements and emissions reduction.

- Implementation of nanoparticle technology across multiple plants and has achieved 9–12% electrical-efficiency gains, saving 338 tons of CO₂ annually.
- Tabreed completed 1 MW solar PV installations at each at two plants, contributing to 5% cost reduction and 2,090 tons of CO₂ saved annually. These achievements reflect the success of Tabreed's data-driven approach and continuous operational optimization efforts.
- The integration of SkyCool Systems' passive radiative cooling panels with a split unit air-conditioning (SUAC) system demonstrated a measurable improvement in cooling efficiency by enhancing heat rejection and increasing cooling output
- Tabreed, in collaboration with ENGIE, is conducting a comprehensive technical and economic evaluation of market-ready Phase Change Material (PCM) Thermal Energy Storage (TES) solutions, assessing temperature losses, energy density, footprint, and cost using advanced transient heat-transfer modelling.
- Tabreed plans to pilot the adoption of chemical-free electrolysis water-treatment technology to reduce or eliminate the use of conventional water-treatment chemicals in cooling towers. The initiative is expected to improve cycles of concentration, and enhance overall water efficiency, supporting Tabreed's broader water conservation and sustainability objectives.

Future initiatives & Net-Zero Strategy

Tabreed's future innovation efforts will focus on expanding nanoparticle implementation, solar PV integration, and significantly improving water efficiency through wider adoption of Treated Sewage Effluent (TSE) for cooling towers. Engagements are ongoing with regulatory bodies to scale TSE use across additional plants, particularly in Abu Dhabi, Al Ain and Dubai

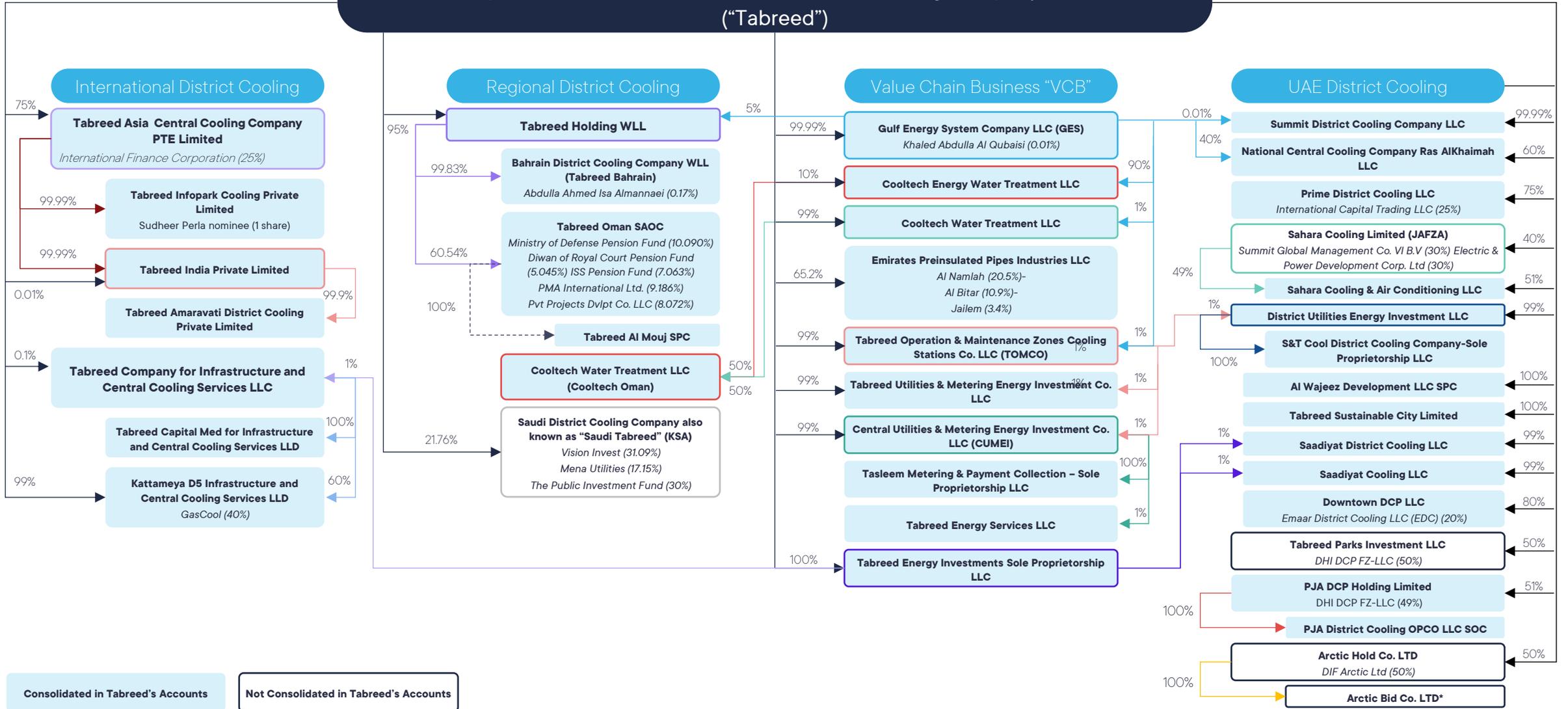
In parallel, Tabreed is progressing its Net Zero Strategy and is engaging with consultant to develop a structured roadmap that will guide future investments in renewables, TES optimization, AI-based energy modelling, geothermal integration, and water-saving technologies—supporting Tabreed's long-term decarbonization goals.

Demand Response Initiative 2025 (Pilot Project)

As part of its commitment to enhancing energy efficiency and supporting Emirate's transition toward a flexible and sustainable energy system, the Abu Dhabi Department of Energy (DoE) has launched in 2025 the Demand Response Aggregator Pilot. Tabreed participated in this program with its six chilled water plants, all equipped with thermal energy storage systems representing approximately 15% of each plant's respective capacity, for a total nominated capacity of 25MWe, and provided DC capacities covering all six use cases, namely Peak Cost Reduction (24 and 12-hour notice), Peak Demand Reduction (24 and 6-hour notice), Load Increase and Direct Load Control (actually an additional symbolic capacity of 150 kW from several chiller plants for the Direct Load Control use case).



Corporate Structure Chart National Central Cooling Company PJSC ("Tabreed")





Financial Statements

Board of Directors' Report	127 - 128
Independent Auditors' Report	129 - 133
Financial Statements	134 - 244





BOARD OF DIRECTORS' REPORT

- The Board is pleased with Tabreed's strong progress in 2025 - a year defined by strategic expansion, operational excellence and resilience. The successful integration of strategic assets, continued organic growth, and unwavering commitment to efficiency underscore the strength of Tabreed's business model. As we enter 2026, the Board remains confident in the company's ability to deliver sustainable value, support national development priorities, and enhance returns for all shareholders.

Financial Highlights

- Revenue: AED 2.46 billion, reflecting resilient performance despite consumption softness.
- EBITDA¹: AED 1.27 billion at a strong 51.6% margin, supported by operating efficiencies.
- Net Profit to Parent: AED 465 million, maintaining robust profitability while absorbing higher finance costs tied to refinancing and strategic investments.
- Dividend: Board recommends 13 fils/share for FY2025 (including 6.5 fils for H2 2025), consistent with Tabreed's disciplined distribution framework.

¹) EBITDA definition on Page 12

Operational Highlights

- Connected Capacity: Grew 19% year-on-year to 1.57 million RT, driven by both organic and inorganic expansion.
- Organic Additions: 58,200 RT, marking Tabreed's strongest annual organic growth in five years.
- Plant Network: Reached 99 operating plants following three new greenfield plants and five acquired plants via PAL Cooling.
- Consumption: 2.62 billion RTH, slightly lower due to relatively cooler climatic conditions.

Sustainability Highlights

- Continued delivery of efficient, lower-carbon district cooling solutions supporting national sustainability goals.
- District cooling enabled meaningful emissions and energy savings across major urban developments and iconic UAE destinations.
- Investments in advanced technologies, digital optimization and proactive asset management enhanced energy performance and operational resilience.



BOARD OF DIRECTORS' REPORT (CONT.)

YEAR IN A REVIEW – KEY STRATEGIC MILESTONES ACHIEVED

MARCH 2025

USD 700 million Inaugural Green Sukuk Issued

- First issuance under Tabreed's USD 1.5bn trust certificate programme, proceeds used to settle bank debt
- Oversubscribed ~2.6x; supports refinancing and eligible green projects.

MARCH 2025

Major Concession Win – Palm Jebel Ali

- Secured a 250,000 RT concession, largest greenfield deal in Tabreed's history.
- AED 1.5 bn estimated investment, a transformational expansion in Dubai.

JUNE 2025

Solar Power Integration

- ~4,000 solar panels installed on two Abu Dhabi plants, generating 2.4 MW of clean energy.
- Cuts >2,600 tons of CO₂ annually.

OCTOBER 2025

Shariah-Compliant Financing

- Raised AED 1.8bn dual-tranche (AED/USD) Shariah-compliant loan, proceeds used to settle Oct-2025 outstanding sukuk
- AED 1.0bn structured as green financing to support sustainable growth.

OCTOBER 2025

PAL Cooling Holding Acquisition Completed

- AED 4.1bn enterprise value JV with CVC DIF.
- Adds ~600,000 RT site capacity across premium Abu Dhabi concessions.

DECEMBER 2025

Sparklo Recycling Partnership Launched

- 16 Sparklomat smart recycling machines to be deployed across UAE network.
- Expected to recycle >4 million bottles/cans yearly and prevent ~637,400 kg CO₂.



AUDITORS' REPORT

To the shareholders of National Central Cooling Company PJSC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of National Central Cooling Company PJSC (the "Company") and its subsidiaries (collectively referred to as the "Group") which comprise of the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



To the shareholders of National Central Cooling Company PJSC

Report on the Audit of the Consolidated Financial Statements (cont'd)

Revenue recognition

The Group generates revenue from its contracts with customers for the supply of chilled water and associated value chain in the UAE, Bahrain, and Oman through its controlled subsidiaries. A significant proportion of the Group's revenues and profits is derived from long-term contracts including lease arrangements.

Revenue from the supply of chilled water is recognized over time. The Group has applied judgement in classification of certain long-term customer contracts as operating or finance leases depending on the terms and conditions of the contracts.

Revenue from the value chain business is recognized over time for supervision and design of district cooling networks and at point in time for the sale of related equipment.

The Group's revenue recognition accounting policy is included in note 2.3.2 to the consolidated financial statements.

The Group recognised revenue of AED 2,456 million for the year ended 31 December 2025.

Revenue recognition is considered a key audit matter given the Group's varied nature of revenue arrangements and the magnitude of the amounts involved.

The audit procedures performed over this key audit matter include the following:

- We obtained an understanding of the business process flow and performed walkthroughs to understand the key processes and identify key controls;
- We assessed the relevant controls over revenue to determine if they had been designed and implemented appropriately and tested these controls to determine if they were operating effectively;

- We performed procedures to assess whether the revenue recognition criteria adopted by Group is appropriate and in accordance with the Group's accounting policy and the requirements of the IFRS Accounting Standards;
- We performed analytical procedures including data analytics on major revenue streams to test transaction initiation to recording process and compared the major revenue streams to prior year results;
- We obtained the key items and representative sample of revenue transactions and tested their occurrence, accuracy and recognition, by tracing them back to supporting documents;
- We recalculated the finance lease income, on a sample basis, with reference to the respective lease models; and
- We assessed the disclosure in the consolidated financial statements relating to revenue recognition for compliance with the requirements of the IFRS Accounting Standards.



To the shareholders of National Central Cooling Company PJSC

Report on the Audit of the Consolidated Financial Statements (cont'd)

Other information

Other information consists of the information included in the Group's Annual Report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Group's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and the Board of Directors for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and in compliance with the applicable provisions of the Memorandum of Association of the Company and the UAE Federal Law No. (32) of 2021, as amended, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



To the shareholders of National Central Cooling Company PJSC

Report on the Audit of the Consolidated Financial Statements (cont'd)

Other information

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Auditor's responsibilities for the audit of the consolidated financial statements continued

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



To the shareholders of National Central Cooling Company PJSC

Report on other legal and regulatory requirements

Other information

Further, as required by the UAE Federal Law No. (32) of 2021, as amended, we report that for the year ended 31 December 2025:

- i. The Group has maintained proper books of account;
- ii. We have obtained all the information and explanations we considered necessary for the purposes of our audit;
- iii. The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (32) of 2021, as amended, and the Memorandum of Association of the Company;
- iv. Investments in shares are included in note 12 and 13 to the consolidated financial statements and include the purchases and investments made by the Group during the year ended 31 December 2025;
- v. Note 30 reflects material related party transactions and the terms under which they were conducted;
- vi. Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the year ended 31 December 2025 any of the applicable provisions of the UAE Federal Law No. (32) of 2021, as amended, or of its Memorandum of Association which would materially affect its activities or its consolidated financial position as at 31 December 2025; and
- vii. Note 1 reflects the social contributions made during the year.

Further, as required by the Resolution of the Chairman of the Abu Dhabi Accountability Authority No. (88) of 2021 regarding financial statements Audit Standards for the Subject Entities, we report that, in connection with our audit of the consolidated financial statements for the year ended 31 December 2025, nothing has come to our attention that causes us to believe that the Group has not complied, in all material respects, with any of the provisions of the following laws, regulations and circulars as applicable, which would materially affect its activities or the consolidated financial statements as at 31 December 2025:

- i. Its Memorandum of Association or Law of Establishment which would materially affect its activities or its consolidated financial position as at 31 December 2025; and
- ii. Relevant provisions of the applicable laws, resolutions and circulars organizing the Group's operations.



CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 AED '000	2024 AED '000
Revenue	3	2,456,325	2,431,622
Direct costs	6.1	(1,378,445)	(1,354,332)
Gross profit		1,077,880	1,077,290
Provision for expected credit losses on trade receivables	20	(872)	(2,478)
Administrative and other expenses	6.2	(285,156)	(281,730)
Operating profit		791,852	793,082
Finance costs	5	(260,039)	(215,263)
Finance income		30,556	40,893
Other (losses) and gains, net	6.4	(17,585)	5,965
Share of results of associates and joint ventures, net	12, 13	2,254	37,598
Profit before tax		547,038	662,275
Income tax expense	14	(51,138)	(59,523)
Profit for the year		495,900	602,752



CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 AED '000	2024 AED '000
Attributable to:			
Equity holders of the company		465,344	570,219
Non-controlling interests	9	30,556	32,533
		495,900	602,752
Total basic and diluted earnings per share attributable to ordinary equity holders of the Company (AED)	7	0.16	0.20



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 AED '000	2024 AED '000
Profit for the year		495,900	602,752
Other comprehensive (loss) income:			
<i>Other comprehensive (loss) income that may be reclassified to profit or loss in subsequent years, net of tax:</i>			
Net movement in fair value of derivatives in cash flow hedges		(54,240)	(113,022)
Share of other comprehensive income (loss) income of associates and joint ventures	12,13	(29,851)	12,146
Exchange difference on translation of foreign operations		(5,614)	(2,297)
Other comprehensive loss for the year, net of tax		(89,705)	(103,173)
Total comprehensive income for the year, net of tax		406,195	499,579
Attributable to:			
Equity holders of the company		375,639	467,046
Non-controlling interests		30,556	32,533
		406,195	499,579



CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Notes	2025 AED '000	2024 AED '000
Assets			
Non-current assets			
Capital work in progress	10	244,896	306,576
Property, plant and equipment	11	4,472,483	4,449,578
Right-of-use assets	17	254,393	252,936
Intangible assets	15	3,878,804	3,981,139
Investments in associates and joint ventures	12,13	1,723,813	622,420
Finance lease receivables	16	2,331,598	2,444,732
Long term deposits	18	10,663	9,538
		12,916,650	12,066,919
Current assets			
Inventories		84,950	74,195
Trade and other receivables	20	584,949	613,635
Finance lease receivables	16	339,649	338,440
Bank balances and cash	21	654,990	1,022,776
		1,664,538	2,049,046
Total assets		14,581,188	14,115,965
Equity and Liabilities			
Equity			
Share capital	22	2,845,271	2,845,271
Treasury shares	23	(6,352)	(3,314)
Statutory reserve	24	675,318	625,728
Retained earnings		2,609,553	2,831,012
Foreign currency translation reserve		(5,979)	(365)
Cash flow hedge reserve		(38,866)	45,225
Equity attributable to the equity holders of the Company		6,078,945	6,343,557
Non-controlling interests	9	593,303	618,313
Total equity		6,672,248	6,961,870



CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Notes	2025 AED '000	2024 AED '000
Liabilities			
Non-current liabilities			
Trade and other payables	29	354,081	352,353
Interest bearing loans and borrowings	25	128,098	133,380
Islamic financing arrangements	26	1,607,436	-
Non-convertible bonds and sukuk	27	4,389,682	1,824,082
Deferred tax liabilities	14	351,180	360,941
Lease liabilities	19	126,438	139,944
Employees' end of service benefits	28	53,598	50,179
		7,010,513	2,860,879
Current liabilities			
Trade and other payables	29	591,887	679,028
Income tax payable	14	57,570	63,912
Interest bearing loans and borrowings	25	17,178	1,911,230
Islamic financing arrangements	26	180,061	640,666
Non-convertible bonds and sukuk	27	-	946,466
Lease liabilities	19	51,731	51,914
		898,427	4,293,216
Total liabilities		7,908,940	7,154,095
Total equity and liabilities		14,581,188	14,115,965

Dr. Bakheet Al Katheeri
Chairman

Dr. Yousif Al Hammadi
Interim Chief Executive Officer

Adel Al Wahedi
Chief Financial Officer



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2025

	Attributable to equity holders of the company						Total AED'000	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	Cumulative changes in fair value of derivatives in cash flow Hedges AED'000			
At 1 January 2024	2,845,261	(3,296)	565,453	2,762,076	1,932	146,101	6,317,527	625,715	6,943,242
Profit for the year	-	-	-	570,219	-	-	570,219	32,533	602,752
Other comprehensive loss for the year	-	-	-	-	(2,297)	(100,876)	(103,173)	-	(103,173)
Total comprehensive income (loss) for the year	-	-	-	570,219	(2,297)	(100,876)	467,046	32,533	499,579
Transfer to statutory reserve	-	-	60,275	(60,275)	-	-	-	-	-
Dividends paid to shareholders (note 8)	-	-	-	(441,016)	-	-	(441,016)	-	(441,016)
Dividend paid to non-controlling interests (note 9.1)	-	-	-	-	-	-	-	(27,832)	(27,832)
Additional minority contribution in a subsidiary	-	-	-	-	-	-	-	7,897	7,897
Repayment of shareholder contribution to non-controlling interest	-	-	-	-	-	-	-	(20,000)	(20,000)
Other movements	10	(18)	-	8	-	-	-	-	-
At 31 December 2024	2,845,271	(3,314)	625,728	2,831,012	(365)	45,225	6,343,557	618,313	6,961,870
At 1 January 2025	2,845,271	(3,314)	625,728	2,831,012	(365)	45,225	6,343,557	618,313	6,961,870
Profit for the year	-	-	-	465,344	-	-	465,344	30,556	495,900
Other comprehensive loss for the year	-	-	-	-	(5,614)	(84,091)	(89,705)	-	(89,705)
Total comprehensive income (loss) for the year	-	-	-	465,344	(5,614)	(84,091)	375,639	30,556	406,195
Transfer to statutory reserve	-	-	49,590	(49,590)	-	-	-	-	-
Dividends paid to shareholders (note 8)	-	-	-	(625,308)	-	-	(625,308)	-	(625,308)
Dividend paid to non-controlling interests (note 9.1)	-	-	-	-	-	-	-	(4,643)	(4,643)
Additional minority contribution in a subsidiary	-	-	-	-	-	-	-	1,699	1,699
Derecognition of non-controlling interests on exercise of put option (note 9)	-	-	-	(5,481)	-	-	(5,481)	(9,622)	(15,103)
Repayment of shareholder contribution to non-controlling interest	-	-	-	-	-	-	-	(43,000)	(43,000)
Buy back of shares (note 23)	-	(3,038)	-	(6,424)	-	-	(9,462)	-	(9,462)
At 31 December 2025	2,845,271	(6,352)	675,318	2,609,553	(5,979)	(38,866)	6,078,945	593,303	6,672,248



CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Year ended 31 December	
		2025 AED '000	2024 AED '000
OPERATING ACTIVITIES			
Profit before tax		547,038	662,275
Non-cash adjustments:			
Depreciation of property, plant and equipment	11	209,061	202,665
Depreciation of right-of-use assets	17	32,900	31,077
Amortisation of intangible assets	15	108,443	112,181
Finance lease income	3	(231,034)	(238,803)
Share of results of associates and joint ventures	12,13	(2,254)	(37,598)
Provision for employees' end of service benefits	28	7,745	8,572
Other income and charges		17,585	(5,965)
Provision for impairment of trade receivables	20	872	2,478
Finance income		(30,556)	(40,893)
Finance costs	5	260,039	215,263
Net operating cash flows before changes in working capital		919,839	911,252



CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

	Notes	Year ended 31 December	
		2025 AED '000	2024 AED '000
Changes in working capital :			
Inventories		(10,755)	(4,502)
Trade and other receivables		(61,949)	1,047
Trade and other payables		(135,252)	(66,858)
Net cash generated from operations		711,883	840,939
Lease rentals received	16	357,175	351,676
Income tax paid	14	(62,732)	-
Employees' end of service benefits paid	28	(4,326)	(3,651)
Net cash flows generated from operating activities		1,002,000	1,188,964





CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

	Notes	Year ended 31 December	
		2025 AED '000	2024 AED '000
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	11	(45,753)	(20,263)
Payments for capital work in progress		(140,739)	(196,413)
Payments for intangible assets		(6,108)	(40,058)
Proceeds from disposal of interest in joint ventures	13	-	17,468
Proceeds from disposal of interest in associates	12	6,039	-
Investment in joint venture	13	(1,190,000)	-
Dividend received from joint ventures	13	2,500	11,000
Dividend received from associates	12	43,878	10,288
Long term deposits (placed)/ matured		(1,125)	4,771
Finance income received		38,769	36,102
Net cash flows used in investing activities		(1,292,539)	(177,105)





CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

	Notes	Year ended 31 December	
		2025 AED '000	2024 AED '000
FINANCING ACTIVITIES			
Interest bearing loans and borrowings drawn		911,600	104,883
Interest bearing loans and borrowings repaid		(2,815,875)	(104,343)
Sukuk repurchased	27	(947,503)	(767,545)
Proceeds from issuance of sukuk		2,570,750	-
Islamic financing arrangement received		1,800,613	-
Islamic financing arrangement repaid		(641,306)	-
Principal portion of lease payments	19	(48,046)	(51,219)
Finance cost paid on lease liabilities	19	(10,937)	(12,413)
Finance cost paid		(225,291)	(187,299)
Additional minority contribution in subsidiary		1,699	7,897
Dividends paid to shareholders	8	(625,308)	(441,016)
Repayment of shareholder contribution to non-controlling interest		(43,000)	(20,000)
Dividends paid to non-controlling interests		(4,643)	(27,832)
Net cash flows used in financing activities		(77,247)	(1,498,887)
Net decrease in cash and cash equivalents		(367,786)	(487,028)
Cash and cash equivalents at 1 January		1,022,776	1,509,804
Cash and cash equivalents at 31 December	21	654,990	1,022,776





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, as amended, and is listed on the Dubai Financial Market. The Company’s registered office is located at P O Box 32444, Dubai, United Arab Emirates.

The principal activities of the Company and its subsidiaries (collectively referred to as 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. Activities of subsidiaries are described in note 9 to the consolidated financial statements.

The Group’s non-convertible bonds and sukuk are listed in the London Stock Exchange (note 26). The Group has made social contributions of AED 0.4 million during the year (2024: AED 0.4 million).

The consolidated financial statements were authorized for issue in accordance with a resolution of the Board of Directors on 12 February 2026.

2.1 Basis of preparation and going concern

Statement of compliance

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

Accounting convention

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”), IFRIC Interpretations and applicable requirements of the laws in the UAE.

2.1 Basis of preparation and going concern (continued)

The 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 when otherwise indicated.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2025 over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.



2.2 Basis of consolidation (continued)

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses 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. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses the control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group 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 into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.2 Basis of consolidation (continued)

For changes in ownership interests the Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in retained earnings within equity attributable to owners.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in consolidated statement of profit or loss.

This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to consolidated statement of profit or loss.

2.3 Material accounting policies

The principal accounting policies applied by the Group in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.



2.3.1 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

In business combination achieved in stages, the Group remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognizes the resulting gain or loss, if any, in the consolidated profit or loss. If the Group has previously recognized changes in the value of its equity interest in the acquiree in other comprehensive income, it will reclassify this to consolidated profit or loss on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognized in the consolidated statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognized in consolidated statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests) and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the consolidated statement of profit or loss.





2.3.1 Business combinations and goodwill (continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS Accounting Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

2.3.2 Revenue recognition

The Group recognizes revenue from the following major sources:

- Supply of chilled water
- Rendering of services
- Interest income

The Group recognizes revenue from contracts with customers based on the five-step model set out in IFRS 15:

Step 1

Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2

Identify the performance obligations in the contract: A performance obligation is a unit of account and a promise in a contract with a customer to transfer a good or service to the customer.

Step 3

Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties

Step 4

Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.



2.3.2 Revenue recognition (continued)

Step 5

Recognize revenue when (or as) the entity satisfies a performance obligation: The Group satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as and when the Group performs; or
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

For performance obligations where none of the above conditions are met, revenue is recognized at the point in time at which the performance obligation is satisfied.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of allowances and rebates. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below.

(a) Supply of chilled water

Revenue from supply of chilled water comprises the following principle services:

Capacity revenue: represents availability of the service and performance obligation is satisfied over time as the customers make use of the service and network. The billing is done monthly in arrears.

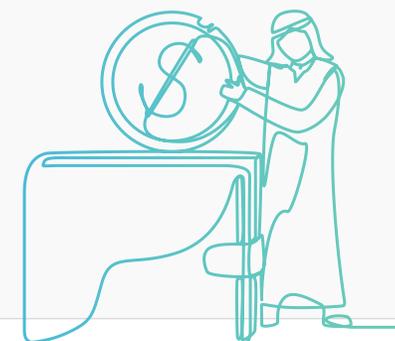
Consumption revenue: represents revenue from consumption of the output of assets used by the customers. Revenue is recognised over time. The billing is done monthly in arrears.

(b) Rendering of services (value chain business)

This mainly represents supervision and design services provided to customers. Revenue from services is recognised as services are rendered. Revenue is recognised over time using the output method.

(c) Interest income

Interest income including interest on finance lease receivable is recognised as the interest accrues using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instruments to the net carrying amount of the financial asset. For details on finance lease refer to note 16. Finance income on finance lease receivables is included in revenue due to its operating nature.





2.3.3. Foreign currencies

The consolidated financial statements are presented in AED, which is the parent Company's functional and presentation currency. The functional currency is the currency of the primary economic environment in which an entity operates. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented United Arab Emirates Dirham (AED), which is functional currency of the company and its material subsidiaries.

(b) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date.

All differences are taken to the consolidated statement of profit or loss with the exception of monetary items that provide an effective hedge of a net investment in a foreign operation. These are recognised in the consolidated statement of comprehensive income until the disposal of the net investment, at which time the cumulative amount is reclassified/recycled to the consolidated statement of profit or loss.

2.3.3. Foreign currencies

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(c) Group companies

The assets and liabilities of foreign operations are translated into AED at the rate of exchange ruling at the reporting date and their statement of profit or loss are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are recognised in the statement of comprehensive income. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the consolidated statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.



2.3.4 Capital work in progress

Capital work in progress is recorded at cost incurred by the Group for the construction of the plants and distribution network, less impairment. Capital work-in-progress is not depreciated. Allocated costs directly attributable to the construction of the assets are capitalized. The capital work in progress is transferred to the appropriate asset category and depreciated in accordance with the Group's policies when construction of the asset is completed, and it is available for use.

2.3.5 Borrowings and borrowing costs

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds and the redemption value is recognized in the consolidated statement of profit or loss over the term of the borrowings using the effective interest method. Borrowings are classified as non-current liabilities when the Group has an unconditional right to defer settlement of the liabilities for more than twelve months after the reporting date.

Borrowing costs (including finance costs on lease liabilities) that are directly attributable to the acquisition or construction of a qualifying asset are capitalized (net of interest income on temporary investment of borrowings) as part of the cost of the asset until the asset is commissioned for use. Borrowing costs in respect of completed and suspended projects or not attributable to qualifying assets are expensed in the period in which they are incurred.

2.3.6 Trade and other payables

Trade payables are obligations to pay for goods or service that have been acquired in the ordinary course of business from suppliers. Account payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.3.7 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Such cost includes the cost of replacing part of the property, plant and equipment when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in consolidated statement of profit or loss as incurred. Land is not depreciated. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

- Plant and related assets 20 to 50 years
- Buildings 50 years
- Distribution networks 25 to 50 years
- Furniture and fixtures 3 to 10 years
- Office equipment and instruments 3 to 15 years
- Motor vehicles 4 to 5 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.



2.3.7 Property, plant and equipment (continued)

Depreciation of these assets commences when the assets are ready for their intended use. Cessation of depreciation occurs on the disposal or retirement of the item of property, plant and equipment.

The Group performs regular major overhauls of equipment of its district cooling plants. When each major overhaul is performed, its cost is recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. The cost recognized is depreciated over the period till the next planned major overhaul.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in consolidated statement of profit or loss in the year the asset is derecognized.

2.3.8. Leases

The Group as a lessee

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Variable lease payments that depend on an index or a rate include, for example, payments linked to a consumer price index, payments linked to a benchmark interest rate or payments that vary to reflect changes in market rental rates are included in the lease payments and are remeasured using the prevailing index or rate at the measurement date.



2.3.8. Leases (Continued)

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment. Right-of-use assets relate to land, plant, building and motor vehicles.

2.3.8. Leases (Continued)

The Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

Operating lease

Leases where the Group does not transfer substantially all the risks and benefits of ownership of the asset to the customers are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income. Contingent rents are recognized as revenue in the period in which they are earned. Where the Group determines that the cooling service agreements to contain an operating lease, capacity payments are recognized as operating lease rentals on a systematic basis to the extent that capacity has been made available to the customers during the year. Rental income arising from operating leases on chilled water plants is accounted for on a straight-line basis over the lease terms and included in revenue due to its operating nature.

Finance lease

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset. The Group reviews the contractual arrangements it enters into with its customers. In instances where the contract conveys the right to control the use of the identified asset for substantially all the economic benefits and the right to direct the use, such contracts are accounted for as a finance lease. The amounts due from the lessee are recorded in the consolidated statement of financial position as financial assets (finance lease receivables) and are carried at the amount of the net investment in the lease after making provision for impairment.



2.3.8. Leases (Continued)

Finance lease (continued)

Lease payments are payments made by a lessee to a lessor relating to the right to use an underlying asset during the lease term, comprising the fixed payments (including in-substance fixed payments), less any lease incentives (for e.g. reimbursement of maintenance fee); variable lease payments that depend on an index or a rate; the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. .

Variable lease payments that depend on an index or a rate include, for example, payments linked to a consumer price index, payments linked to a benchmark interest rate or payments that vary to reflect changes in market rental rates. The payments are included in the lease payments and are measured/remeasured using the prevailing index or rate at the measurement date (e.g. lease commencement date for initial measurement or at the time when new CPI rate is available).

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Group has the option, under some of its leases to lease the assets for additional terms of three to five years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

2.3.9 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and goodwill is neither amortized nor individually tested for impairment. The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associates and joint ventures. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income.

In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.



2.3.9 Investments in associates and joint ventures (continued)

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of profit or loss outside operating profit. The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss in the consolidated statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in the consolidated statement of profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to the consolidated statement of profit or loss where appropriate.

2.3.10 Treasury (Own) shares

Own equity instruments which are reacquired (treasury/ own shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the consolidated statement of profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration is recognised in retained earnings.

2.3.11 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.



2.3.11 Impairment of non-financial assets (continued)

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations cover a period to the end of useful life of the assets.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the assets' or cash-generating units' recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of profit or loss.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment, annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating units, to which the goodwill is allocated. Where the recoverable amount of the cash-generating units is less than their carrying amount an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods. The Group performs its annual impairment test of goodwill as at 31 December.

2.3.12 Financial instruments

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

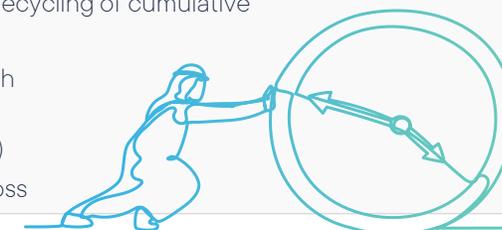
The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments, cash and cash equivalents and trade receivables)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss





2.3.12 Financial instruments (continued)

The Group has the following financial assets:

Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- a) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the consolidated statement of profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost include a certain portion of trade and other receivables, contract assets, finance lease receivables, due from related parties, and cash and bank balances etc.

Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

2.3.12 Financial instruments (continued)

Financial assets at fair value through OCI (debt instruments)

A financial asset is measured at fair value through other comprehensive income, if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the consolidated statement of comprehensive income and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.



2.3.12 Financial instruments (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.

This category includes quoted and unquoted equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on quoted and unquoted equity investments are recognised under investment and other income in the consolidated statement of profit or loss when the right of payment has been established.

Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.3.12 Financial instruments (continued)

Impairment of financial assets (continued)

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset.

Write-off

Receivables are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.



2.3.12 Financial instruments (continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, due to related parties, lease liabilities and interest bearing loans and borrowings, Islamic financing arrangements and non-convertible Bonds and Sukuks etc.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and borrowings)



2.3.12 Financial instruments (continued)

Financial liabilities at amortized cost (loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in consolidated statement of profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of profit or loss.

This category generally applies to a certain portion of trade and other payables, due to related parties, lease liabilities and borrowings.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss

Fair value measurement principles

For investments and derivatives quoted in an active market, fair value is determined by reference to quoted market prices. The fair values of investments in mutual funds or similar investment vehicles are based on the last net asset value published by the fund manager. For other investments including treasury bills, a reasonable estimate of the fair value is determined by reference to the price of recent market transactions involving such investments, current market value of instruments which are substantially the same or is based on the expected discounted cash flows.

The fair value of unquoted investments, forward exchange contracts, interest rate swaps and options (if any) is determined by reference to discounted cash flows, pricing models or over-the-counter quotes.



2.3.12 Financial instruments (continued)

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amounts reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the assets and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS Accounting Standards, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group always recognizes lifetime ECL for trade receivables, contract assets and retention receivables, using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.3.12 Financial instruments (continued)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- When there is a breach of financial covenants by the counterparty; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Significant increase in credit risk

The Group monitors all financial assets and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment including forward-looking information.





2.3.13 Inventories

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realizable value. Cost comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.3.14 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of consolidated statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. Management reviews its contracts annually.

2.3.14 Provisions (continued)

(a) Contingent liabilities recognized in a business combination

A contingent liability recognized in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognized in accordance with the requirements for provisions above or the amount initially recognized less (when appropriate) cumulative amortization recognized in accordance with the requirements for revenue recognition.



2.3.15 Employees' end of service benefits

The Group provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

With respect to its national employees, the Group makes contributions to the relevant UAE Government pension scheme calculated as a percentage of the employees' salaries. The obligations under these schemes are limited to these contributions, which are expensed when due.

2.3.16 Derivative financial instruments

A derivative financial instrument is a financial contract between two parties where payments are dependent upon movements in the price of one or more underlying financial instrument, reference rate or index.

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate risks, including interest rate swaps.

Derivative financial instruments are initially measured at fair value at trade date and are subsequently re-measured at fair value at the end of each reporting period. All derivatives are carried at their fair values as assets where the fair values are positive and as liabilities where the fair values are negative. Derivative assets and liabilities arising from different transactions are offset only if the transactions are with the same counterparty, a legal right of offset exists, and the parties intend to settle the cash flows on a net basis.

Derivative fair values are determined from quoted prices in active markets where available. Where there is no active market for an instrument, fair value is derived from prices for the derivative's components using appropriate pricing or valuation models

2.3.16 Derivative financial instruments (continued)

The method of recognizing fair value gains and losses depends on whether derivatives are held for trading or are designated as hedging instruments, and if the latter, the nature of the risks being hedged. All gains and losses from changes in the fair value of derivatives held for trading are recognized in the consolidated statement of profit or loss under 'Net gain from dealing in foreign currencies and derivatives'.

Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 Financial Instruments (e.g. financial liabilities) are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

2.3.17 Hedge accounting

Derivatives designated as hedges are classified as either: (i) fair value hedges which hedge the exposure to changes in the fair value of a recognized asset or liability; (ii) cash flow hedges which hedge the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction; or (iii) a hedge of net investment which are accounted similarly to a cash flow hedge. Hedge accounting is applied to derivatives designated as hedging instruments in a fair value or cash flow, provided the criteria are met.

At the inception of a hedging relationship, to qualify for hedge accounting, the Group documents the relationship between the hedging instruments and the hedged items as well as its risk management objective and its strategy for undertaking the hedge. The Group also requires a documented assessment, both at hedge inception and on an ongoing basis, of whether or not the hedging instruments, primarily derivatives, that are used in hedging transactions are highly effective in offsetting the changes attributable to the hedged risks in the fair values or cash flows of the hedged items.



2.3.17 Hedge accounting (continued)

(a) Fair value hedges

The fair value change on qualifying hedging instruments is recognized in profit or loss except when the hedging instrument hedges an equity instrument designated at FVTOCI in which case it is recognized in OCI. The Group has not designated fair value hedge relationships where the hedging instrument hedges an equity instrument designated at FVTOCI.

The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in profit or loss. For debt instruments measured at FVTOCI, the carrying amount is not adjusted as it is already at fair value, but the part of the fair value gain or loss on the hedged item associated with the hedged risk is recognized in profit or loss instead of OCI. When the hedged item is an equity instrument designated at FVTOCI, the hedging gain/loss remains in OCI to match that of the hedging instrument.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. The fair value adjustment to the carrying amount of hedged items for which the EIR method is used (i.e. debt instruments measured at amortized cost or at FVTOCI) arising from the hedged risk is amortized to profit or loss commencing no later than the date when hedge accounting is discontinued.

(b) Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognized in the cash flow hedging reserve, a separate component of OCI, limited to the cumulative change in fair value of the hedged item from inception of the hedge less any amounts recycled to profit or loss.

2.3.17 Hedge accounting (continued)

Amounts previously recognized in OCI and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. If the Group no longer expects the transaction to occur that amount is immediately reclassified to profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised, or where the occurrence of the designated hedged forecast transaction is no longer considered to be highly probable. The discontinuation is accounted for prospectively. Any gain/loss recognized in OCI and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain/loss accumulated in equity is reclassified and recognized immediately in profit or loss.

(c) Hedge effectiveness testing

To qualify for hedge accounting, the Group requires that at the inception of the hedge and on an ongoing basis:

- The hedging relationship consists only of eligible hedging instruments and eligible hedged items;
- At inception of the hedging relationship there is formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge;
- The hedging relationship meets all of the hedge effectiveness requirements, i.e.;
- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.



2.3.17 Hedge accounting (continued)

(d) Derivatives that do not qualify for hedge accounting

All gains and losses from changes in the fair values of derivatives that do not qualify for hedge accounting are recognized immediately in consolidated statement of profit or loss.

2.3.18 Fair value measurement

The Group measures financial instruments, such as, derivatives, and non-financial assets such as asset held for sale, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortized cost are disclosed in note 33.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2.3.18 Fair value measurement (continued)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The management determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement, such as asset held for sale. External valuers are involved for valuation of significant assets, such as land. Selection criteria for valuers include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

The management, in conjunction with the Group's external valuers, also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.



2.3.18 Fair value measurement (continued)

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. An analysis of fair values of financial instruments and further details as to how they are measured are provided in note 33.



2.3.19 Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

2.3.19 Current versus non-current classification (continued)

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

2.3.20 Cash dividend and non-cash distribution to equity holders of the parent

The Group recognizes a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorized. As per the laws and regulation applicable in UAE, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

Gain or loss on re-measurement is recognized in the consolidated statement of profit or loss and then the revalued amount of the asset is recognized as debit in equity. Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognized in the consolidated statement of profit or loss.



2.3.21 Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Receivables include trade receivables for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at fair value (approximately transaction price) and subsequently measured at amortized cost using the effective interest method, less loss provision. A provision for impairment of trade receivables is established based on the expected lifetime losses to be recognized from initial recognition of the receivables.

When a trade and contract receivables are uncollectible, it is written off against the provision for impairment account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the consolidated income statement.

2.3.22 Intangible assets

2.3.22 (i) Customer contracts

Customer contracts acquired in the business combination have been initially recognized at their fair value at the acquisition date. The valuation technique adopted has been the multi-period excess earning method. Subsequent to initial recognition, customer contracts are reported at cost less accumulated amortization and accumulated impairment losses, if any.

2.3.22 Intangible assets (continued)

Amortization of customer contracts is recognized in the consolidated statement of profit or loss on a straight-line basis over their estimated useful lives. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate. Amortization is calculated on a straight-line basis over the life of the contracts in the range of 25 to 50 years.

2.3.22 (ii) Other contracts

Other contracts mainly represent contractual rights, acquired in the business combination which have been initially recognised at their fair value at the acquisition date. The valuation technique adopted has been the multi-period excess earning method. Subsequent to initial recognition, these contracts are reported at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation of other contracts is recognised in the consolidated statement of profit or loss on a straight-line basis over their estimated useful lives of 25 years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate

2.3.23 Assets classified as held for sale and discontinued operation

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the sale, excluding the finance costs and income tax expense.



2.3.23 Assets classified as held for sale and discontinued operation (continued)

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of Operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operation, if any, is presented separately in the consolidated statement of profit or loss.

2.3.24 Value added tax (VAT)

Output value added tax related to sales is payable to tax authorities on the earlier of (a) collection of receivables from customers or (b) delivery of goods or services to customers. Input VAT is generally recoverable against output VAT upon receipt of the VAT invoice. The tax authorities permit the settlement of VAT on a net basis. VAT related to sales and purchases is recognized in the consolidated statement of financial position on a net basis. Where provision has been made for the ECL of receivables, the impairment loss is recorded for the gross amount of the debtor, including VAT.

2.3.25 Segment reporting

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Also, the Group's financing (including finance costs, finance income and other income) are managed on a Group basis and are not allocated to operating segments.

2.3.26 Taxation

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.



2.3.26 Taxation (continued)

Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

2.3.26 Taxation (continued)

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.



2.3.27 Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorization for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognizes in its consolidated financial statements. The Group will adjust the amounts recognized in its consolidated financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognized in its consolidated financial statements but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

2.3.28 Earnings per share

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

2.3.29 Call and Put Options

Call and put options are recognized and measured in accordance with IAS 32, based on the contractual rights and obligations arising under the relevant agreements. Where call or put options relate to non-controlling interests in subsidiaries and do not result in a loss of control, the present value of the redemption amount is recognized as a financial liability with a corresponding adjustment to equity. Non-controlling interests are derecognized only upon exercise of the put option, with the difference adjusted against equity.

2.4 Change in material accounting policies – new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new standards, interpretations and amendments effective as of 1 January 2025. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Lack of exchangeability – Amendments to IAS 21

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

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

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime has become effective for accounting periods beginning on or after 1 June 2023. The Cabinet of Ministers Decision No. 116 of 2022 (widely accepted to be effective from 16 January 2023) specified the threshold of taxable income to which the 0% UAE CT rate would apply, and above which the 9% UAE CT rate would apply. It is widely considered that this would constitute 'substantive enactment' of the UAE CT Law for the purposes of IAS 12, the objective of which is to prescribe the basis for accounting for Income Taxes

Current taxes should be measured at the amount expected to be paid to or recovered from the tax authorities by reference to tax rates and laws that have been enacted or substantively enacted, by the end of the any reporting period. Since the Group is expected to pay tax in accordance with the provision of the UAE CT Law on its operational results with effect from 1 January 2024, current taxes have been accounted for in the consolidated financial statements for the period beginning from 1 January 2025.

The Organization for Economic Co-operation and Development (OECD) has issued the Global Anti-Base Erosion (GloBE) Model Rules, which mandate a minimum tax rate of 15% per jurisdiction (Pillar Two).



2.4 Change in material accounting policies – new and amended standards and interpretations (continued)

Various countries have either enacted or are in the process of enacting tax legislation to fully or partially comply with Pillar Two. The United Arab Emirates, where the Group's Ultimate Parent Entity is situated, has substantively enacted the Cabinet Decision No. 142 of 2024 on the Imposition of Top-up Tax on Multinational Enterprises. The Group falls within the scope of these rules from 1 January 2025 and is currently assessing its exposure to these rules.

As the Group's consolidated revenues is not more than EUR 750 million threshold for any 2 out of the preceding 4 years, the Group is not within the scope of the Pillar Two model rules. The Group has performed an assessment of its potential exposure to Pillar Two income taxes based on financial information for the constituent entities in the Group. The Group continues to follow Pillar Two legislative developments, as further countries enact the Pillar Two model rules, to evaluate the potential future impact on its consolidated results of operations, financial position and cash flows beginning

There is uncertainty regarding whether the Pillar Two model rules create additional temporary differences, whether deferred taxes should be remeasured for the Pillar Two model rules, and which tax rate should be used to measure deferred taxes. In response to this uncertainty, the IASB and AASB issued amendments to IAS 12 'Income Taxes' on 23 May 2023 and 27 June 2023, respectively. These amendments introduce a mandatory temporary exception to the requirements of IAS 12, under which a company does not recognize or disclose information about deferred tax assets and liabilities related to the OECD/G20 BEPS Pillar Two model rules. The Group has not applied this temporary exception as of 31 December 2025 as Pillar 2 rules are not applicable for the relevant financial year.

2.5 Standards and Interpretations in issue but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

2.5 Standards and Interpretations in issue but not yet effective (continued)

- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures
- Amendments to the Classification and Measurement of Financial Instruments–Amendments to IFRS 9 and IFRS 7
- Annual Improvements to IFRS Accounting Standards – Volume 11
- Contracts Referencing Nature-dependent Electricity–Amendments to IFRS 9 and IFRS 7

The Group does not expect that the adoption of these new and amended standards and interpretations, other than IFRS 18 which will have a material impact on its consolidated financial statements. The Group is currently working to identify all the potential impacts of IFRS 18 on its consolidated financial statements in the future.

2.6 Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Disclosures relating to the Group's exposure to risks and uncertainties include:

- | | |
|--|---------|
| • Capital management | Note 33 |
| • Financial instruments risk management and policies | Note 33 |
| • Sensitivity analysis disclosures | Note 33 |



2.6.1 Judgments

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

(a) Determining lease terms

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Management determines whether an arrangement is, or contains, a lease based on the substance of the arrangement at inception date whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. The Company enters into Customer Cooling Services Agreements (the "Agreements") with its customers. To the extent such agreements are determined to contain a lease depends on whether the Company has retained or transferred the significant risks and rewards of ownership of the related assets.

The following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

2.6.1 Judgments (continued)

(b) Lessor accounting policy

Under the guidance provided by IFRS 16, the definition of lease payments has been changed to include the variable lease payments that are based on an index or a rate as part of the net lease investment.

(c) Business combinations

Accounting for the acquisition of a business requires the allocation of the purchase price to various assets and liabilities of the acquired business. For most assets and liabilities, the purchase price allocation is accomplished by recording the asset or liability at its estimated fair value. Determining the fair value of assets acquired and liabilities assumed requires judgment by management and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates and the useful lives of assets.

The Group primarily considers the following information and criteria when determining whether it has control over an entity:

- Governance arrangements: voting rights and whether the Group is represented in the governing bodies, majority rules and veto rights etc.;
- The nature of substantive or protective rights granted to shareholders, relating to the entity's relevant activities;
- Rules for appointing key management personnel; and
- Whether the Group is exposed, or has rights, to variable returns from its involvement with the entity etc.



2.6.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the consolidated financial statements when they occur.

(a) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses (ECL) on financial assets measured at amortized cost. The amount of expected credit losses is updated at the end of each reporting period to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognizes expected credit loss for trade receivables, finance lease receivable, due from related parties and cash and bank balances, using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

2.6.2 Estimates and assumptions (continued)

At the reporting date, gross trade receivables and amounts due from related parties amounted to AED 528.2 million (2024: AED 444.2 million) with provision for impairment (expected credit losses) of AED 29.9 million (2024: AED 29.1 million). During the year, the Group recognized provision for expected credit losses in the consolidated statement of profit or loss amounting to AED 0.9 million (2024: AED 2.5 million).

At the reporting date, gross finance lease receivables were AED 2,707.9 million (2024: AED 2,819.9 million) and provision for impairment at 31 December 2025 was AED 36.7 million (2024: AED 36.7 million).

(b) Impairment of non-financial assets

Management determines at each reporting date whether there are any indicators of impairment relating to the Group's cash generating units. A broad range of internal and external factors is considered as part of the indicator review process, where necessary, an impairment assessment is performed. Impairment testing requires an estimation of the fair values less cost to sell and value in use of the cash generating units. The recoverable amounts require the Group to estimate the amount and timing of future cash flows, terminal value of the assets and choose a suitable discount rate in order to calculate the present value of the cash flows. The net carrying amounts of non-financial assets affected by the above estimations are mainly property, plant and equipment, goodwill, customer contract, and other contract assets. Goodwill is tested for impairment on an annual basis. Goodwill is allocated to respective cash generating units.





3. REVENUE

	2025 AED '000	2024 AED '000
Revenue from supply of chilled water	2,060,504	2,022,470
Revenue from value chain	81,787	87,567
Revenue from contracts with customers	2,142,291	2,110,037
Operating lease income	83,000	82,782
Finance lease income (note 16)	231,034	238,803
Lease income	314,034	321,585
	2,456,325	2,431,622

Revenue expected to be recognized in future related to performance obligation that are unsatisfied (or partially unsatisfied):

	2025 AED '000	2024 AED '000
Within one year	844,873	772,718
After one but no more than five years	3,210,233	2,977,782
More than five years	12,510,447	12,298,371
	16,565,553	16,048,871

The unsatisfied performance obligations that are part of value chain business revenue are expected to have a duration of one year or less. Hence revenue expected to be recognized in the future related to their performance obligations is not disclosed.

	2025 AED '000	2024 AED '000
Timing of revenue recognition:		
At a point in time	44,011	41,093
Over time	2,098,280	2,068,944
	2,142,291	2,110,037



4. OPERATING SEGMENTS

For management purposes, the Group is organized into business units based on their 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 technologies.
- The 'Value chain business' segment is involved in ancillary activities relating to the expansion of the Group's chilled water business.

	For the year ended 31 December 2025				For the year ended 31 December 2024			
	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	2,374,538	81,787	-	2,456,325	2,344,055	87,567	-	2,431,622
Inter-segment revenue	-	54,697	(54,697)	-	-	58,808	(58,808)	-
Total revenue	2,374,538	136,484	(54,697)	2,456,325	2,344,055	146,375	(58,808)	2,431,622
Direct costs	(1,336,971)	(68,380)	26,906	(1,378,445)	(1,313,242)	(76,312)	35,222	(1,354,332)
Gross profit	1,037,567	68,104	(27,791)	1,077,880	1,030,813	70,063	(23,586)	1,077,290
Provision for impairment of trade receivables	(819)	(53)	-	(872)	(2,478)	-	-	(2,478)
Administrative and other expenses	(269,507)	(34,271)	18,622	(285,156)	(273,749)	(25,500)	17,519	(281,730)
Operating profit	767,241	33,780	(9,169)	791,852	754,586	44,563	(6,067)	793,082
Finance costs	(257,594)	(1,780)	(665)	(260,039)	(213,506)	(1,757)	-	(215,263)
Finance income	30,484	72	-	30,556	40,812	81	-	40,893
Other gains and losses, net	(17,585)	-	-	(17,585)	5,965	-	-	5,965
Share of results of associates and joint ventures	2,254	-	-	2,254	37,598	-	-	37,598
Profit before tax	524,800	32,072	(9,834)	547,038	625,455	42,887	(6,067)	662,275



4. OPERATING SEGMENTS (CONTINUED)

- Inter-segment transactions are eliminated on consolidation.
- Segment results include an amount of depreciation and amortisation allocated to the operating segments as follows:

	For the year ended 31 December 2025			For the year ended 31 December 2024		
	Chilled water AED'000	Value chain business AED'000	Total AED'000	Chilled water AED'000	Value chain business AED'000	Total AED'000
Depreciation on property, plant and equipment (note 11)	204,868	4,193	209,061	197,748	4,917	202,665
Depreciation on right-of-use asset (note 17)	31,004	1,896	32,900	29,456	1,621	31,077
	235,872	6,089	241,961	227,204	6,538	233,742

Segment assets and liabilities are as follows:

	2025			2024		
	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	12,757,639	99,736	12,857,375	13,376,398	117,147	13,493,545
Investments in associates (note 12)	488,868	-	488,868	523,839	-	523,839
Investments in joint ventures (note 13)	1,234,945	-	1,234,945	98,581	-	98,581
Total assets	14,481,452	99,736	14,581,188	13,998,818	117,147	14,115,965
Segment liabilities	7,798,051	110,889	7,908,940	7,026,754	127,341	7,154,095
Total liabilities	7,798,051	110,889	7,908,940	7,026,754	127,341	7,154,095



4. OPERATING SEGMENTS (CONTINUED)

The table below illustrates the capital expenditures added during the year:

	2025			2024		
	Chilled water AED'000	Value chain business AED'000	Total AED'000	Chilled water AED'000	Value chain business AED'000	Total AED'000
Capital expenditure:						
Property, plant and equipment (note 11)	42,716	3,037	45,753	13,169	7,094	20,263
Capital work in progress (note 10)	202,952	-	202,952	254,369	-	254,369

Geographic information

The following table presents certain non-current assets and revenue information relating to the Group based on geographical location of the operating units:

	Revenue		Non-current assets	
	2025 AED '000	2024 AED '000	2025 AED '000	2024 AED '000
United Arab Emirates	2,323,126	2,305,129	12,284,638	11,441,059
Others	133,199	126,493	632,012	625,860
	2,456,325	2,431,622	12,916,650	12,066,919

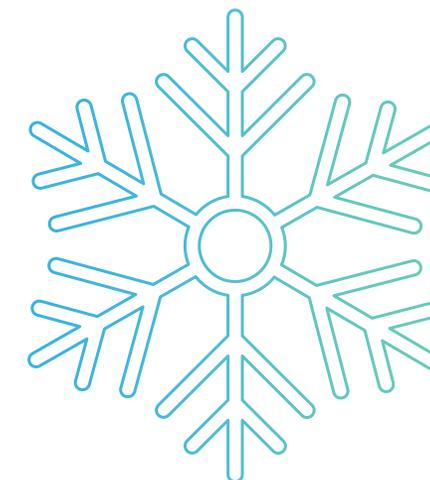
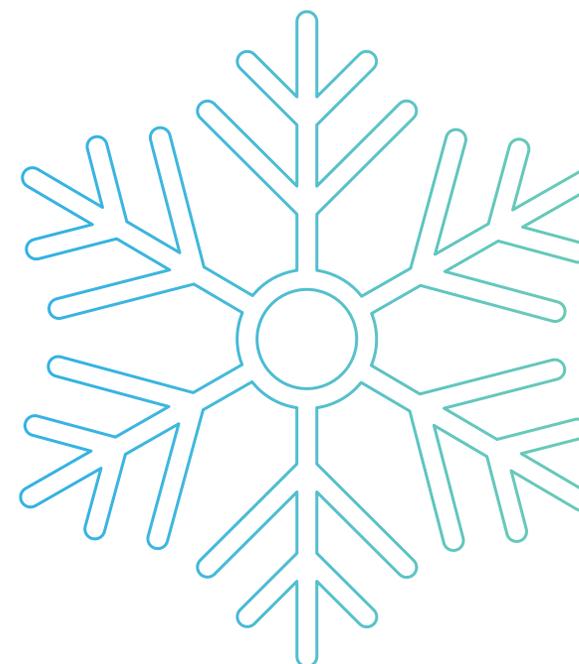


4. OPERATING SEGMENTS (CONTINUED)

Revenue from external customers

The following table provides information relating to the Group's major customers, which individually contribute more than 45% (2024: 44%) towards the Group's revenue.

	2025 AED'000	2024 AED'000
Chilled water segment:		
Customer 1	424,079	394,789
Customer 2	395,006	389,833
Customer 3	289,045	285,106
	1,108,130	1,069,728





5. FINANCE COSTS

	2025 AED '000	2024 AED '000
Interest on interest bearing loans and borrowings	16,342	48,441
Profit on sukuk	155,134	64,451
Interest on bonds	45,913	45,913
Profit on Islamic financing arrangements	16,106	13,952
Amortisation of transaction costs (note 21)	10,192	14,242
Finance cost related to lease liabilities (note 19)	10,937	12,413
Other finance costs	5,415	15,851
	260,039	215,263



6. PROFIT FROM OPERATIONS

6.1 Direct costs

	2025 AED '000	2024 AED '000
Material consumed (i)	58,560	60,463
Depreciation of property, plant and equipment (note 11)	202,083	194,237
Depreciation of right-of-use assets (note 17)	16,370	17,173
Amortisation of intangible assets (note 15)	108,443	112,181
Utility costs	787,014	784,555
Purchase of chilled water from a related party (note 30)	64,354	65,026
Staff costs (note 6.3)	115,967	102,949
Others	25,654	17,748
	1,378,445	1,354,332

As at 31 December, the inventory balance represents stores and spares which are utilised for repairs and maintenance of the plants managed by the Group.

6.2 Administrative and other expenses

	2025 AED '000	2024 AED '000
Staff costs (note 6.3)	179,836	193,018
Depreciation of property, plant and equipment (note 11)	6,978	8,428
Depreciation of right-of-use assets (note 17)	16,530	13,904
Other expenses (i)	81,812	66,380
	285,156	281,730

(i) Included in the other expenses is fees incurred by the Group towards the assurance services with the Group's auditors, as follows:

	2025 AED '000	2024 AED '000
Fees to Ernst and Young, UAE		
Fees for auditing the statutory financial statements of the Company and controlled entities	1,252	1,223
Fees for assurance services required by legislation or contractual arrangements, to be provided by auditors	1,453	435
	2,705	1,658



6. PROFIT FROM OPERATIONS (CONTINUED)

6.3 Staff costs

	2025 AED '000	2024 AED '000
Salaries, benefits and allowances	288,058	287,395
Employees' end of service benefits (note 28)	7,745	8,572
	295,803	295,967
Staff costs are allocated as follows:		
Direct costs (note 6.1)	115,967	102,949
Administrative and other expenses (note 6.2)	179,836	193,018
	295,803	295,967

6.4 Other (losses) and gains, net

Other gains and losses primarily include transaction costs incurred as part of the investments undertaken during the year 2025 and losses on retirement of assets.



7. BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

Basic earnings per share are calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

The following reflects the profit and share data used in the basic and diluted earnings per share computations:

	2025 AED '000	2024 AED '000
Profit for the year attributable to the equity holders of the Company (AED '000)	465,344	570,219
Weighted average number of shares (excluding treasury shares) outstanding during the year ('000)	2,838,919	2,841,956
Total basic and diluted earnings per share (AED)	0.16	0.20

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 years ended 31 December 2025 and 2024.



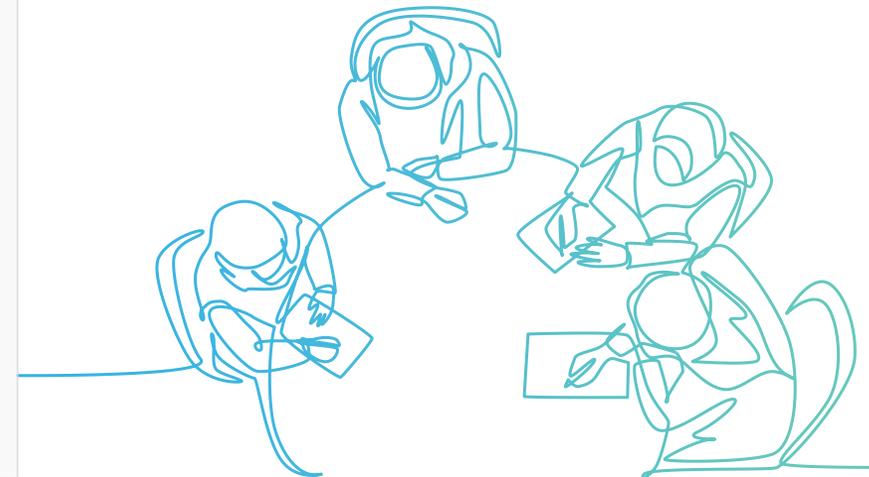
8. DIVIDENDS AND BOARD REMUNERATION

In 2025, the Board of Directors proposed the distribution of cash dividends of AED 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 (2024: 0.4 million)

During the General Assembly held on 15 September 2025, the shareholders approved the interim dividend of AED 6.5 fils per share amounting to AED 184.9 million. The dividend was paid on 6 October 2025. The dividend on treasury shares amounts to AED 0.2 million. (2024: AED nil).

In 2024, the Board of Directors proposed the distribution of cash dividends of AED 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.





9. SUBSIDIARIES

The consolidated financial statements include the financial statements of the Company and the subsidiaries listed in the following table:

Chilled water segment	Country of incorporation	Percentage of holding		Principal activities
		31 Dec. 2025	31 Dec. 2024	
National Central Cooling Company Ras Al Khaimah LLC	UAE	100	100	Sale of chilled water
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
PJA DCP Holding Limited	UAE	51	-	Holding company
PJA District Cooling OPCO LLC SOC	UAE	51	-	Holding company



9. SUBSIDIARIES (CONTINUED)

Value chain business segment:	Country of incorporation	Percentage of holding		Principal activities
		31 Dec. 2025	31 Dec. 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.(i)	UAE	-	100	Water treatment services and sale chilled water related
Tabreed Energy Service L.L.C.	UAE	100	100	Building energy efficiency service



9. SUBSIDIARIES (CONTINUED)

Others – Unallocated:	Country of incorporation	Percentage of holding		Principal activities
		31 Dec. 2025	31 Dec. 2024	
Tabreed Holdings WLL	Bahrain	100	100	Holding company
Tabreed Al Maryah District cooling Investment LLC (i)	UAE	-	100	Holding company
District Utilities Energy Investments LLC	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

- (i) During the year, the Group liquidated the following subsidiaries
- Tabreed Al Maryah District Cooling Investment LLC; and
 - Cooltech Water Services LLC



9.1 PARTLY-OWNED SUBSIDIARIES

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

Name of the entity	Country of incorporation and operation	2025 Percentage	2024 Percentage
Downtown District Cooling LLC	UAE	20	20
Prime District Cooling Company LLC	UAE	25	25
Emirates Preinsulated Pipes Industries LLC	UAE	34.8	34.8
Bahrain District Cooling Company	Bahrain	0.2	0.2
Tabreed Oman SAOC	Oman	39.46	39.46
Kattameya D5 Infrastructure & Central Cooling Services LLD	Egypt	40	40
PJA DCP Holding Limited (i)	UAE	49	-
Tabreed Asia Central Cooling Company PTE Ltd (ii)	Singapore	-	25

- (i) During the year, the Group entered a district cooling concession arrangement to exclusively provide cooling services to the Palm Jebel Ali development in Dubai. The concession will be executed through a newly incorporated entity over which the Group has control and which will be consolidated in the Group's financial statements in accordance with IFRS Accounting Standards. The project is expected to be developed and commissioned in multiple phases, with an anticipated aggregate cooling capacity of approximately 250,000 tons (RTs) upon full completion.
- (ii) On 12 December 2025, the minority shareholder exercised its put option, requiring the Group to acquire the remaining 25% equity interest in Tabreed Asia Central Cooling Company PTE. Ltd. for a fixed consideration of USD 4,113 thousand (AED 15,103 thousand). The put option was granted to the minority shareholder in 2021 pursuant to the shareholders' agreement entered into upon incorporation of the entity. Settlement of the transaction, comprising payment and transfer of shares, is contractually due within 30 to 60 days from the date of exercise of the put option. Accordingly, as at the reporting date, the Group has derecognized the non-controlling interest and recognized a corresponding financial liability of USD 4,113 thousand (AED 15,103 thousand).



9.1 PARTLY-OWNED SUBSIDIARIES (CONTINUED)

Accumulated balances of material non-controlling interest:

Name	2025 AED '000	2024 AED '000
Downtown District Cooling LLC	520,908	537,177
Others	72,395	81,136
Total	593,303	618,313

Profit allocated to material non-controlling interest:

Name	2025 AED '000	2024 AED '000
Downtown District Cooling LLC	26,731	27,898
Others	3,825	4,635
Total	30,556	32,533



9.1 PARTLY-OWNED SUBSIDIARIES (CONTINUED)

The summarized financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

Summarized statement of profit or loss for year ended 31 December 2025:

	Downtown District Cooling LLC AED '000	Others AED '000	Total AED '000
Revenue	448,876	182,637	631,513
Direct costs	(281,554)	(108,772)	(390,326)
Administrative expenses	(6,476)	(33,428)	(39,904)
Finance costs	(4)	(11,039)	(11,043)
Finance income	1,601	1,575	3,176
Other charges	(4,768)	(658)	(5,426)
Other income	1,838	944	2,782
Total comprehensive income	159,513	31,259	190,772
Attributable to non-controlling interests	26,731	3,825	30,556
Dividends paid to non-controlling interests	-	4,643	4,643

Summarized statement of profit or loss for year ended 31 December 2024:

Revenue	455,701	173,889	629,590
Direct costs	(291,146)	(102,567)	(393,713)
Administrative expenses	(2,705)	(29,445)	(32,150)
Finance costs	(4)	(11,271)	(11,275)
Finance income	2,528	1,228	3,756
Other charges	-	(193)	(193)
Other income	1,303	3,510	4,813
Total comprehensive income	165,677	35,151	200,828
Attributable to non-controlling interests	27,898	4,635	32,533
Dividends paid to non-controlling interests	24,000	3,832	27,832



9.1 PARTLY-OWNED SUBSIDIARIES (CONTINUED)

Summarized statement of financial position As at 31 December 2025:

	Downtown District Cooling LLC AED '000	Others AED '000	Total AED '000
Inventories and bank balances and cash (current)	254,381	147,115	401,496
Property, plant and equipment and other non-current assets (non-current)	2,726,317	739,438	3,465,755
Trade payables and other liabilities	(47,113)	(77,722)	(124,835)
Interest bearing loans and borrowing and lease liabilities	(20,958)	(196,736)	(217,694)
Total equity	2,912,627	612,095	3,524,722
Attributable to:			
Equity holders of the Company	2,391,719	539,700	2,931,419
Non-controlling interests	520,908	72,395	593,303
	2,912,627	612,095	3,524,722

Summarized statement of financial position As at 31 December 2024:

Inventories and bank balances and cash (current)	195,885	103,434	299,319
Property, plant and equipment and other non-current assets (non-current)	2,780,707	721,392	3,502,099
Trade payables and other liabilities	(51,240)	(67,552)	(118,792)
Interest bearing loans and borrowing and lease liabilities	(17,955)	(203,257)	(221,212)
Total equity	2,907,397	554,017	3,461,414
Attributable to:			
Equity holders of the Company	2,370,220	472,881	2,843,101
Non-controlling interests	537,177	81,136	618,313
	2,907,397	554,017	3,461,414



10. CAPITAL WORK IN PROGRESS

The movement in capital work in progress during the year was as follows:

	2025 AED '000	2024 AED '000
At 1 January	295,601	244,868
Additions during the year	202,952	254,369
Transfer to property, plant and equipment (note 11)	(229,692)	(160,293)
Write off	(33,940)	-
Disposal	-	(16,654)
Transfer to finance lease	-	(26,689)
	234,921	295,601
Advances	9,975	10,975
At 31 December	244,896	306,576

Refer to note 11 for impairment indicators assessment of cash generating units.



11. PROPERTY, PLANT AND EQUIPMENT

	Land, plant and buildings AED'000	Distribution network AED'000	Furniture and fixtures AED'000	Office equipment and instruments AED'000	Motor vehicles AED'000	Total AED'000
2025						
Cost:						
At 1 January 2025	4,973,391	2,594,999	28,904	136,157	1,431	7,734,882
Additions during the year	41,671	9	93	3,888	92	45,753
Transfer from capital work in progress (note 10)	182,474	36,545	2,517	8,156	-	229,692
Exchange differences	(4,805)	-	-	-	-	(4,805)
Write offs	(78,148)	-	-	(10)	-	(78,158)
At 31 December 2025	5,114,583	2,631,553	31,514	148,191	1,523	7,927,364
Accumulated depreciation:						
At 1 January 2025	1,510,339	682,511	21,047	68,356	1,378	2,283,631
Charge for the year	154,435	44,604	2,070	7,926	26	209,061
Write offs	(39,478)	-	-	(6)	-	(39,484)
At 31 December 2025	1,625,296	727,115	23,117	76,276	1,404	2,453,208
Net carrying amount before accumulated impairment: At 31 December 2025	3,489,287	1,904,438	8,397	71,915	119	5,474,156
Accumulated impairment:						
At 1 January and 31 December 2025	527,691	473,982	-	-	-	1,001,673
Net carrying amount after accumulated impairment: At 31 December 2025	2,961,596	1,430,456	8,397	71,915	119	4,472,483



11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land, plant and buildings AED'000	Distribution network AED'000	Furniture and fixtures AED'000	Office equipment and instruments AED'000	Motor vehicles AED'000	Total AED'000
2024						
Costs:						
At 1 January 2024	4,847,412	2,566,727	28,303	110,507	1,377	7,554,326
Additions during the year	15,222	24	148	10,920	54	26,368
Transfer from capital work in progress (note 10)	116,862	28,248	453	14,730	-	160,293
Exchange differences	(6,105)	-	-	-	-	(6,105)
At 31 December 2024	4,973,391	2,594,999	28,904	136,157	1,431	7,734,882
Accumulated depreciation:						
At 1 January 2024	1,381,007	623,386	17,057	58,164	1,352	2,080,966
Charge for the year	129,332	59,125	3,990	10,192	26	202,665
At 31 December 2024	1,510,339	682,511	21,047	68,356	1,378	2,283,631
Net carrying amount before accumulated impairment: At 31 December 2024	3,463,052	1,912,488	7,857	67,801	53	5,451,251
Accumulated impairment:						
At 1 January and 31 December 2024	527,691	473,982	-	-	-	1,001,673
Net carrying amount after accumulated impairment: At 31 December 2024	2,935,361	1,438,506	7,857	67,801	53	4,449,578

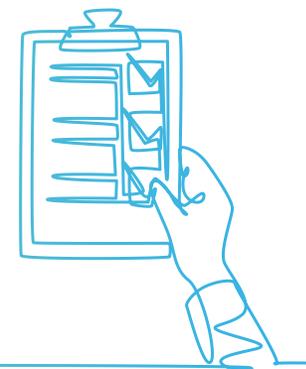


11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The depreciation charge for the year has been allocated as follows:

	2025 AED '000	2024 AED '000
Direct costs (note 6.1)	202,083	194,237
Administrative and other expenses (Note 6.2)	6,978	8,428
	209,061	202,665

- Property, plant and equipment of AED 129.3 million (2024: AED 132.9 million) have been pledged as security against interest-bearing loans (note 25).
- During the year ended 31 December 2025, no borrowing cost is capitalized (2024: nil).





12. INVESTMENTS IN ASSOCIATES

The Group has the following investments in associates:

Name of entity	Country of incorporation	Principal activities	Ownership		Carrying value	
			2025 %	2024 %	2025 AED '000	2024 AED '000
Industrial City Cooling Company (i)	United Arab Emirates	Sale of chilled water	-	20%	-	3,114
Saudi Tabreed District Cooling Company	Kingdom of Saudi Arabia	Sale of chilled water	21.8%	21.8%	421,358	460,108
Sahara Cooling Limited	United Arab Emirates	Sale of chilled water	40%	40%	67,510	60,617
					488,868	523,839



12. INVESTMENTS IN ASSOCIATES (CONTINUED)

The Group's interest in associates is accounted for using the equity method in the consolidated financial statements. Movement in investments in associates is as follows:

	2025 AED '000	2024 AED '000
At 1 January	523,839	497,638
Share of profit for the year	27,467	30,411
Dividends received	(46,126)	(10,288)
Share of other comprehensive (loss) income	(7,138)	12,146
Disposals (i)	(3,214)	-
Adjustments for inter group transactions	(5,960)	(6,068)
At 31 December	488,868	523,839

The associates are involved in the same business activity as Tabreed. The reporting dates for the associates are the same as for Tabreed. The investments are considered strategic to the Group.

- (i) On 18 November 2024, the shareholders of Industrial City Cooling Company resolved to place the entity into liquidation. The liquidation was completed during the year ended 2025, resulting in a net gain of AED 3.2 million, which has been recognised in the consolidated statement of profit or loss.



12. INVESTMENTS IN ASSOCIATES (CONTINUED)

The following illustrates summarized financial information of the Group's investments in associates. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not the Group's share of those amounts.

2025	Saudi Tabreed District Cooling Company AED '000	Others AED '000	Total AED '000
Total current assets	677,824	49,673	727,497
Total non-current assets	2,546,250	210,846	2,757,096
Total current liabilities	(140,463)	(8,373)	(148,836)
Total non-current liabilities	(1,322,233)	(83,371)	(1,405,604)
Net assets	1,761,378	168,775	1,930,153

2024	Saudi Tabreed District Cooling Company AED '000	Others AED '000	Total AED '000
Total current assets	992,372	81,584	1,073,956
Total non-current assets	2,632,802	229,626	2,862,428
Total current liabilities	(162,864)	(4,813)	(167,677)
Total non-current liabilities	(1,347,551)	(139,289)	(1,486,840)
Net assets	2,114,759	167,108	2,281,867



12. INVESTMENTS IN ASSOCIATES (CONTINUED)

Reconciliation of carrying amounts

2025	Saudi Tabreed District Cooling Company AED '000	Others AED '000	Total AED '000
At 1 January	2,114,759	167,108	2,281,867
Profit for the year	22,874	56,476	79,350
Other comprehensive income	(24,699)	(4,409)	(29,108)
Dividends paid	(176,280)	(19,431)	(195,711)
Disposals (i)	-	(16,069)	(16,069)
Other adjustments	-	(14,900)	(14,900)
At 31 December	1,936,654	168,775	2,105,429

2024	Saudi Tabreed District Cooling Company AED '000	Others AED '000	Total AED '000
At 1 January	2,023,330	148,074	2,171,404
Profit for the year	19,394	76,210	95,604
Other comprehensive income	72,032	(8,815)	63,217
Dividends paid	-	(32,912)	(32,912)
Other adjustments	-	(15,448)	(15,448)
At 31 December	2,114,756	167,109	2,281,865



12. INVESTMENTS IN ASSOCIATES (CONTINUED)

Summarized statement of profit or loss of associates are given below:

2025	Saudi Tabreed District Cooling Company AED '000	Others AED '000	Total AED '000
Revenue	318,763	102,700	421,463
Direct costs	(116,295)	(36,315)	(152,610)
Administrative and other expenses	(93,824)	(3,803)	(97,627)
Other income/charges	(15,928)	(3,699)	(19,627)
Net finance cost	(69,842)	(2,407)	(72,249)
Profit for the year	22,874	56,476	79,350
Share of results for the year	4,977	22,490	27,467

2024	Saudi Tabreed District Cooling Company AED '000	Others AED '000	Total AED '000
Revenue	307,671	103,295	410,966
Direct costs	(122,280)	(11,254)	(133,534)
Administrative and other expenses	(105,084)	(12,940)	(118,024)
Other income/charges	14,744	102	14,846
Net finance cost	(75,657)	(2,993)	(78,650)
Profit for the year	19,394	76,210	95,604
Share of results for the year	4,220	26,191	30,411

- Net assets of associates include the Group's share of fair value of derivatives of associates amounting to AED 14.78 million (2024: AED 21.49 million). Summarised financial information of the Group's investments in associates is adjusted for intercompany transactions.
- Commitments and contingent liabilities in respect of the associates are disclosed in notes 31 and 32.



13. INVESTMENTS IN JOINT VENTURES

The Group has the following investment in joint ventures:

Name of entity	Country of incorporation	Principal activities	Ownership		Carrying value	
			2025 %	2024 %	2025 AED '000	2024 AED '000
Arctic Holdco SPV LTD (i)	United Arab Emirates	Investment entity	50	-	1,133,156	-
Tabreed Parks Investment LLC	United Arab Emirates	Sale of chilled water	50	50	101,789	98,581
					1,234,945	98,581



13. INVESTMENTS IN JOINT VENTURES (CONTINUED)

The movement in investments in joint ventures are as follows:

	2025 AED '000	2024 AED '000
At 1 January	98,581	124,752
Addition	1,190,000	-
Share of (loss) profit	(25,213)	7,187
Disposal	-	(18,541)
Dividends	(2,500)	(11,000)
Share of other comprehensive loss	(22,713)	-
Adjustments for inter group transactions	(3,210)	(3,817)
At 31 December	1,234,945	98,581
Share of the joint ventures' revenues and profits:		
Revenue	64,520	26,088
(Loss) profit for the year	(25,213)	7,187



13. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Summarized statements of profit or loss of joint venture are given below:

2025	Arctic Holdco SPV LTD AED '000	Others AED '000	Total AED '000
Revenue	76,465	52,575	129,040
Direct costs	(54,619)	(26,035)	(80,654)
Administrative and other expenses	(60,419)	(2,863)	(63,282)
Other income/(charges)	949	(1,520)	(571)
Net finance cost	(30,639)	(6,786)	(37,425)
Other adjustments	-	2,465	2,465
(Loss) profit for the year	(68,263)	17,836	(50,427)
Share of results for the year	(34,131)	8,918	(25,213)
2024	Arctic Holdco SPV LTD AED '000	Others AED '000	Total AED '000
Revenue	-	52,176	52,176
Direct costs	-	(29,168)	(29,168)
Administrative and other expenses	-	(1,977)	(1,977)
Other income/charges	-	1,799	1,799
Net finance cost	-	(8,457)	(8,457)
Profit for the year	-	14,373	14,373
Share of results for the year	-	7,187	7,187



13. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Summarized statements of financial position of joint venture are given below:

2025	Arctic Holdco SPV LTD AED '000	Others AED '000	Total AED '000
Total current assets	248,935	26,450	338,936
Total non-current assets	4,311,719	192,721	4,501,974
Total current liabilities	(314,092)	(26,024)	(322,188)
Total non-current liabilities	(2,264,115)	(76,651)	(2,451,125)
Net assets	1,982,447	116,496	2,067,597

2024	Arctic Holdco SPV LTD AED '000	Others AED '000	Total AED '000
Total current assets	-	93,282	93,282
Total non-current assets	-	180,788	180,788
Total current liabilities	-	(12,417)	(12,417)
Total non-current liabilities	-	(152,781)	(152,781)
Net assets	-	108,872	108,872



13. INVESTMENTS IN JOINT VENTURES (CONTINUED)

(i) On 13 June 2025, the Group acquired a 50% equity interest in Arctic Holdco SPV Ltd. The shareholders' agreement includes a call option which can be exercised after a five-year lock-in period. On 26 September 2025, the Group invested AED 1.19 billion in Arctic Bidco SPV Ltd, a wholly owned subsidiary of the joint venture, to fund the acquisition of Pal Cooling Holding LLC which was completed on 9 October 2025. The acquisition resulted in the recognition of goodwill and identifiable intangible assets of AED 2.5 billion in the joint venture's consolidated financial statements. The carrying value of the Group's share of identifiable net assets was AED 1.02 billion, resulting in goodwill of AED 173.6 million included in the carrying amount of the investment. The investment is accounted for using the equity method (IAS 28) and tested for impairment in accordance with IAS 36.

Summarized financial information of the Group's investments in joint ventures is adjusted for intercompany transactions.

Commitments and contingent liabilities in respect of the joint ventures are disclosed in notes 31 and 32.





14. INCOME TAX

Income tax for the current year is provided on the basis of estimated taxable income computed by the Group using tax rates, enacted or substantially enacted at the reporting date, applicable in the respective countries in which the subsidiaries operate and any adjustment to tax in respect of previous years.

The consolidated accounting profit has been reconciled to the accounting profit attributable to tax and the reconciliation between tax expense and the product of accounting profit attributable to tax multiplied by effective income tax rate for the year ended 31 December as follows:

The major components of taxation for the years ended 31 December 2025 and 2024 are:

Consolidated statement of Profit or Loss:

	2025 AED '000	2024 AED '000
<i>Income Tax:</i>		
Charge for the year	59,828	64,644
<i>Deferred Tax:</i>		
Relating to origination and reversal of temporary differences	(8,690)	(5,121)
Income tax expenses	51,138	59,523

Consolidated Other Comprehensive Income:

	2025 AED '000	2024 AED '000
<i>Deferred tax related to items recognized in OCI during the year:</i>		
Unrealized gain/ (loss) on fair valuation of derivatives	(1,998)	1,536
Foreign currency translation reserve	904	-
Deferred income tax charged to OCI	(1,094)	1,536





14. INCOME TAX (CONTINUED)

Reconciliation of tax expense and the accounting profit multiplied by an effective rate of 9% for 2025 (2024: 9%):

	2025 AED '000	2024 AED '000
Profit before tax	547,038	662,275
At UAE's statutory tax rate of 9%	49,233	59,605
Temporary differences	(8,690)	(5,121)
Permanent differences and others	10,595	5,039
Income tax expense	51,138	59,523

Income tax payable:

The movement of provision for tax during the year are as follows:

	2025 AED '000	2024 AED '000
At 1 January	63,912	-
Charge for the year	59,828	64,644
Paid during the year	(62,732)	-
Reversals/ reclass	(3,438)	(732)
At 31 December	57,570	(63,912)



14. INCOME TAX (CONTINUED)

Deferred tax

Reconciliation of deferred tax (liabilities)/ assets:

	2025 AED '000	2024 AED '000
As at 1 January	(360,941)	(358,795)
Tax expense recognised in profit or loss during the year	8,690	5,121
Tax income (expense) recognised in other comprehensive income during the year	1,094	(1,536)
Other reclassifications	(23)	(5,731)
At 31 December	(351,180)	(360,941)

The movement in deferred income tax assets and liabilities during the year:

	2025 AED '000	2024 AED '000
Deferred tax assets:		
Losses available for offsetting against future taxable income & other provisions	630	1,166
Fair value of property, plant & equipment	9,763	11,524
Unrealised loss on derivative fair valuation	462	-
	10,855	12,690



14. INCOME TAX (CONTINUED)

Deferred tax (Continued)

The movement in deferred income tax assets and liabilities during the year:

	2025 AED '000	2024 AED '000
Deferred tax liabilities:		
Accelerated depreciation for tax purposes	(9,214)	(8,875)
Goodwill prior to the enactment of UAE CT Law	(28,729)	(28,729)
Intangible assets acquired as part of business combinations - prior to enactment of UAE CT Law	(316,721)	(326,257)
Intangibles assets acquired as part of business combinations - subsequent to enactment of UAE CT Law	(3,451)	(5,131)
Fair value of property, plant & equipment	(3,015)	(3,103)
Unrealised gain on derivative fair valuation	-	(1,536)
Foreign currency translation reserve	(905)	-
	(362,035)	(373,631)



15. INTANGIBLE ASSETS

Goodwill

	2025 AED '000	2024 AED '000
Downtown District Cooling LLC	78,919	78,919
Business District Cooling Investment LLC	240,288	240,288
	319,207	319,207

- The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of the goodwill for each cash-generating units (CGUs) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by the board covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth and inflation rates. These growth rates are consistent with forecasts from previous years and industry specific benchmarks in which each CGU operates. The CGUs are primarily supplying chilled water under a long-term cooling services contracts, therefore the Group used cash flows associated with the full term of the existing customer contracts of these CGUs in determining the value in use of the respective CGUs.
- The goodwill comprises of the fair value of expected synergies and future connections that may result through acquired district cooling plants and networks.
- During the year ended 31 December 2025, management performed its annual impairment review of goodwill, using the discounted cashflow model and trading multiples of comparable companies' approach.

Following key assumptions were used in the discounted cashflow review

- Consumer price index: 1.66% (2024: 1.63%)
 - Discount rate: 7.5 % (2024: 7.10%)
-
- The recoverable amounts of the CGUs are most sensitive to the discount rate used for the value-in-use calculation. A change in discount rate by 1% would result in a reduction in the difference between the carrying value of the CGU (including allocated goodwill) and the recoverable amount by 46%, without resulting in an impairment loss.
 - Management has assessed that no impairment loss is required to be recognised against goodwill at the reporting date.

Customer contracts and contractual rights

	2025 AED '000	2024 AED '000
At 1 January	3,661,932	3,730,238
Additions	6,108	43,875
Amortisation charge for the year (Note 6.1)	(108,443)	(112,181)
At 31 December	3,559,597	3,661,932

The customer contracts and contractual rights were acquired as part of a business combination. They are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line based on the timing of projected cash flows of the contracts over their estimated useful lives.



16. FINANCE LEASE RECEIVABLES

Movement in the finance lease receivables during the year was as follows:

	2025 AED '000	2024 AED '000
At 1 January	2,783,172	2,856,029
Finance lease income	204,428	213,198
Variable lease payment CPI indexation	26,606	25,605
Total finance lease income (Note 3)	231,034	238,803
Initial recognition of new finance lease receivables	14,216	40,016
Lease rentals received	(357,175)	(351,676)
At 31 December	2,671,247	2,783,172

Finance lease receivable is allocated in the consolidated statement of financial position as follows

	2025 AED '000	2024 AED '000
Current	339,649	338,440
Non-current	2,331,598	2,444,732
	2,671,247	2,783,172



16. FINANCE LEASE RECEIVABLES (CONTINUED)

Future minimum lease receivables under finance leases together with the present value of net minimum lease receivables are as follows:

	2025		2024	
	Minimum lease receivables AED '000	Present value of minimum lease AED '000	Minimum lease receivables AED '000	Present value of minimum lease AED '000
Within one year	357,576	340,439	352,075	338,440
After one but no more than five years	1,426,828	1,136,222	1,410,010	1,069,648
More than five years	2,307,289	1,194,586	2,596,983	1,375,084
	4,091,693	2,671,247	4,359,068	2,783,172
Unearned finance income	(1,420,446)	-	(1,575,896)	-
	2,671,247	2,671,247	2,783,172	2,783,172

Movement in unearned finance income was as follows:

	2025 AED '000	2024 AED '000
At 1 January	1,575,896	1,742,294
Finance income recognized during the year	(204,428)	(213,198)
Variable lease payment CPI indexation	12,091	16,250
Relating to new finance leases	36,887	30,550
At 31 December	1,420,446	1,575,896

- No unguaranteed residual value to the benefit of the lessor is assumed for the purpose of the above calculation.
- The Group leases represent district cooling plants. Contracts are usually made for fixed periods of 15 years to 30 years. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. The Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions



17. RIGHT-OF-USE ASSETS

The movement in right-of-use asset during the year are as follows:

	Land, plant and buildings AED'000	Distribution network AED'000	Motor Vehicles AED'000	Total AED'000
2025				
Cost:				
At 1 January 2025	316,647	150,003	32,923	499,573
Additions during the year	32,120	-	2,237	34,357
At 31 December 2025	348,767	150,003	35,160	533,930
Accumulated Depreciation:				
At 1 January 2025	119,287	18,806	20,291	158,384
Depreciation for the year	23,690	3,510	5,700	32,900
At 31 December 2025	142,977	22,316	25,991	191,284
Net carrying amount before accumulated impairment: At 31 December 2025	205,790	127,687	9,169	342,646
Accumulated impairment:				
At 1 January and at 31 December 2025	88,253	-	-	88,253
Net carrying amount after accumulated impairment: At 31 December 2025	117,537	127,687	9,169	254,393



17. RIGHT-OF-USE ASSETS (CONTINUED)

	Land, plant and buildings AED'000	Distribution network AED'000	Motor Vehicles AED'000	Total AED'000
2024:				
Cost:				
At 1 January 2024	310,519	150,003	26,055	486,577
Additions during the year	6,128	-	6,868	12,996
At 31 December 2024	316,647	150,003	32,923	499,573
Accumulated Depreciation:				
At 1 January 2024	95,499	15,568	16,240	127,307
Depreciation for the year	23,788	3,238	4,051	31,077
At 31 December 2024	119,287	18,806	20,291	158,384
Net carrying amount before accumulated impairment: At 31 December 2024	197,360	131,197	12,632	341,189
Accumulated impairment:				
At 1 January and at 31 December 2024	88,253	-	-	88,253
Net carrying amount after accumulated impairment: At 31 December 2024	109,107	131,197	12,632	252,936

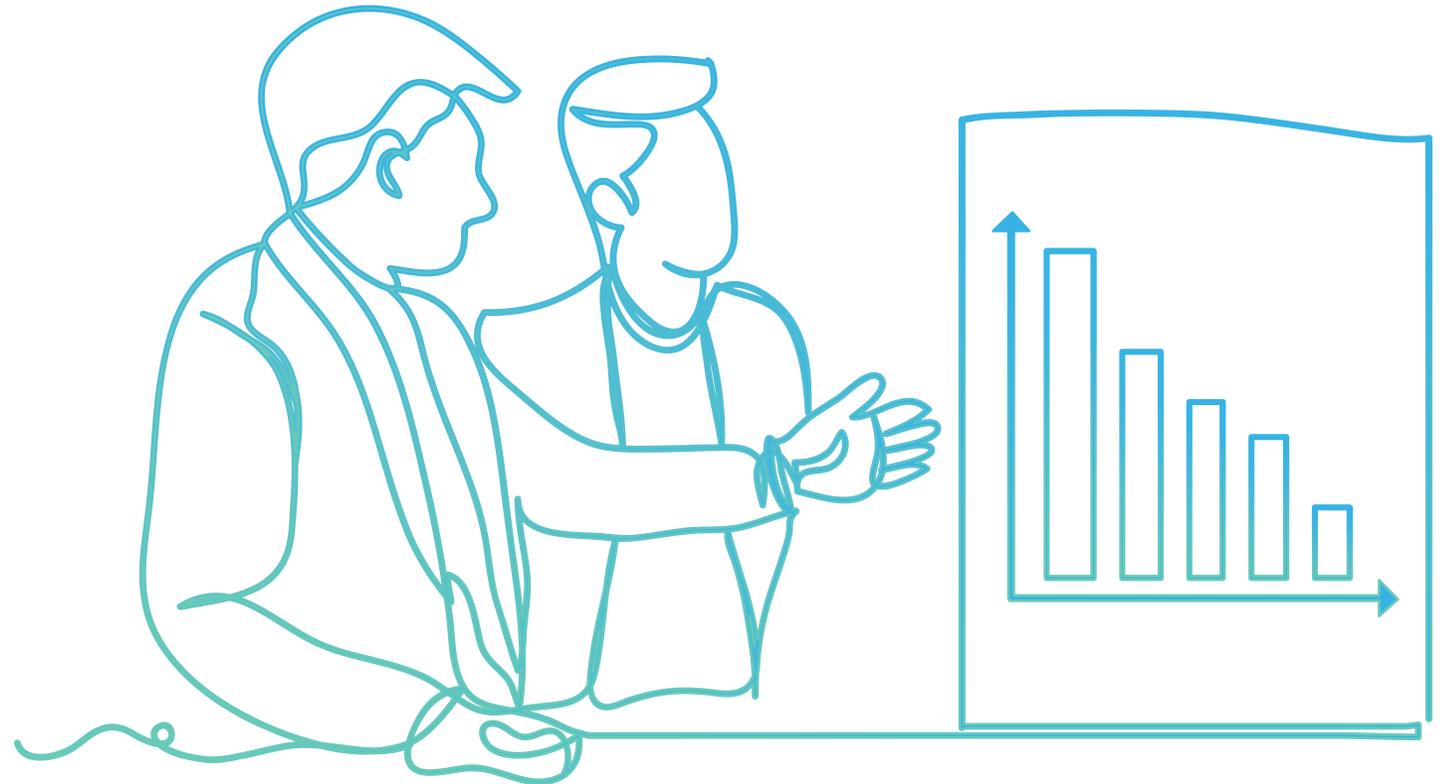
The depreciation charge for the year has been allocated as follows:

	2025 AED '000	2024 AED '000
Direct costs (Note 6.1)	16,370	17,173
Administrative and other expenses (Note 6.2)	16,530	13,904
	32,900	31,077



18. LONG TERM DEPOSITS

During the period, various deposits amounting to AED 10.6 million (2024: AED 9.5 million) were placed by a subsidiary of the Group, for a tenure of 3 years, with commercial banks, at rates ranging from 4% to 5.25% per annum (2024: 4.5% to 5.25% per annum).





19. LEASE LIABILITIES

Movement in the lease liabilities during the year is as follows:

	2025 AED '000	2024 AED '000
At 1 January	191,858	230,049
Addition	34,357	13,028
Accretion of interest (Note 5)	10,937	12,413
Repayment	(58,983)	(63,632)
At 31 December	178,169	191,858

Lease liabilities are allocated in the consolidated statement of financial position as follows:

	2025 AED '000	2024 AED '000
Current	51,731	51,914
Non-current	126,438	139,944
	178,169	191,858

- Management has not considered the potential exposure of termination and extension clauses in determining lease liabilities.
- Amounts recognised in the consolidated statement of profit or loss as follows:

The consolidated statement of profit or loss shows the following amounts relating to leases:

	2025 AED '000	2024 AED '000
Depreciation of right-of-use asset (Note 17)	32,900	31,077
Finance cost on lease liabilities (Note 5)	10,937	12,413
	43,837	43,490

The statement of cash flows shows the following movement relating to leases:

	2025 AED '000	2024 AED '000
Principle elements of lease payments	48,046	51,219
Finance cost on lease liabilities (Note 5)	10,937	12,413
	58,983	63,632



20. TRADE AND OTHER RECEIVABLES

	2025 AED '000	2024 AED '000
Trade receivables, net	493,491	338,406
Amounts due from related parties (Note 30)	4,785	76,643
Advances to suppliers and employees	5,211	6,725
Deposits, accruals and other receivables (i)	54,349	121,123
Derivative financial instruments (ii)	-	50,152
Prepayments	27,113	20,586
	584,949	613,635

(i) Included in other receivables is a balance held with a liquidity provider as of 31 December 2025 amounting to AED 5.4 million (2024: AED nil) (note 23).

(ii) The Group has entered into interest rate swaps (IRS) for the interest-bearing loans denominated in AED and USD which are designated as a hedging instrument (note 34). During the year ended 31 December 2025, the fair value movement of IRS amounting to AED 54.2 million was recorded in the consolidated statement of comprehensive income (2024: AED 113 million).



20. TRADE AND OTHER RECEIVABLES (CONTINUED)

As at 31 December 2025, trade receivables with a nominal value of AED 29.9 million (2024: AED 29.2 million) were provided for as per the requirements of IFRS 9 expected credit loss model.

The movement in the provision for impairment of trade receivables are as follows:

	2025 AED '000	2024 AED '000
At 1 January	29,186	27,444
Charge for the year	872	2,478
Write off	(132)	(736)
At 31 December	29,926	29,186



20. TRADE AND OTHER RECEIVABLES (CONTINUED)

The following table details the risk profile of trade receivables and amounts due from related parties based on the Group's provision matrix. Group's provision for loss allowance is based on past due status between the Group's different customer base for majority of the customers.

As at 31 December, the ageing analysis of trade receivables and amounts due from related parties is as follows:

	Total	Current	< 30 days	Past due				
				30 – 60 days	60 – 90 days	90 – 120 days	120 – 365 days	>365 days
2025								
Gross receivable (AED'000)	528,202	265,052	49,299	83,071	36,827	44,826	16,886	32,241
Provision %	5.7%	0.8%	1.0%	1.0%	1.4%	1.9%	3.9%	75.9%
Provision (AED'000)	29,926	2,154	493	833	501	830	654	24,461
Net receivable (AED'000)	498,276	262,898	48,806	82,238	36,326	43,996	16,232	7,780
2024								
Gross receivable (AED'000)	444,235	286,610	77,501	19,248	10,955	2,514	14,020	33,387
Provision %	6.6%	0.7%	0.9%	1.2%	1.7%	2.2%	5.0%	75.9%
Provision (AED'000)	29,186	2,020	662	238	187	56	696	25,327
Net receivable (AED'000)	415,049	284,590	76,839	19,010	10,768	2,458	13,324	8,060

Trade receivables are non-interest bearing and are generally on 30 – 60 days terms. It is not the practice of the Group to obtain collateral over receivables and the vast majority are, therefore, unsecured. For terms and conditions relating to related party receivables, refer to Note 30.



21. BANK BALANCES AND CASH

Bank balances and cash included in the consolidated statement of financial position and in the consolidated statement of cash flows are as follows:

	2025 AED '000	2024 AED '000
Bank balances and cash	170,038	143,592
Short term deposits	484,952	879,184
Cash and cash equivalents	654,990	1,022,776

Included in the bank balances is an amount of AED 4.8 million (2024: AED 4.8 million) placed in debt service reserve accounts in relation to bank facilities and an amount of AED 0.8 million (2024: AED 1.4 million) held as cash margin against trade related bank guarantees and letters of credit.

Bank deposits attract a fixed rate of interest ranging from 4% to 5.25% per annum (2024: 4.2% to 5.25% per annum) and held with a maturity of three months or less.

Geographical concentration of bank balances and cash is as follows:

	2025 AED '000	2024 AED '000
Within UAE	625,872	998,885
Outside UAE	29,118	23,891
	654,990	1,022,776

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes.

	2025 AED '000	2024 AED '000
Bank balances and cash	654,990	1,022,776
Interest-bearing loans and borrowings (note 25)	(145,276)	(2,044,610)
Islamic financing arrangements (note 26)	(1,787,497)	(640,666)
Non-convertible bonds and sukuk (note 27)	(4,389,682)	(2,770,548)
Lease liabilities (note 19)	(178,169)	(191,858)
Net debt	(5,845,634)	(4,624,906)





21. BANK BALANCES AND CASH (CONTINUED)

	Bank balances and Cash AED'000	Interest bearing loans and borrowings AED'000	Islamic financing arrangements AED'000	Non- convertible Bonds and Sukuk AED'000	Lease liabilities AED'000	Total AED'000
Net debt						
At 1 January 2025	1,022,776	(2,044,610)	(640,666)	(2,770,548)	(191,858)	(4,624,906)
Cash flows	(367,786)	1,904,275	641,306	(1,611,954)	58,983	624,824
Non-cash transaction:						
Amortization of transaction cost (Note 5)	-	(1,834)	(1,178)	(7,180)	-	(10,192)
Reclassified to prepayments	-	(3,107)	-	-	-	(3,107)
Additions (note 19 and 26)	-	-	(1,786,959)	-	(34,357)	(1,821,316)
Accretion of interest (note 5)	-	-	-	-	(10,937)	(10,937)
At 31 December 2025	654,990	(145,276)	(1,787,497)	(4,389,682)	(178,169)	(5,845,634)
Net debt						
At 1 January 2024	1,509,804	(2,037,953)	(638,135)	(3,532,495)	(230,049)	(4,928,828)
Cash flows	(487,028)	(543)	-	767,544	63,632	343,605
Non-cash transaction:						
Amortisation of transaction cost (Note 5)	-	(6,114)	(2,531)	(5,597)	-	(14,242)
Additions (Note 19)	-	-	-	-	(13,028)	(13,028)
Accretion of interest (Note 5)	-	-	-	-	(12,413)	(12,413)
At 31 December 2024	1,022,776	(2,044,610)	(640,666)	(2,770,548)	(191,858)	(4,624,906)



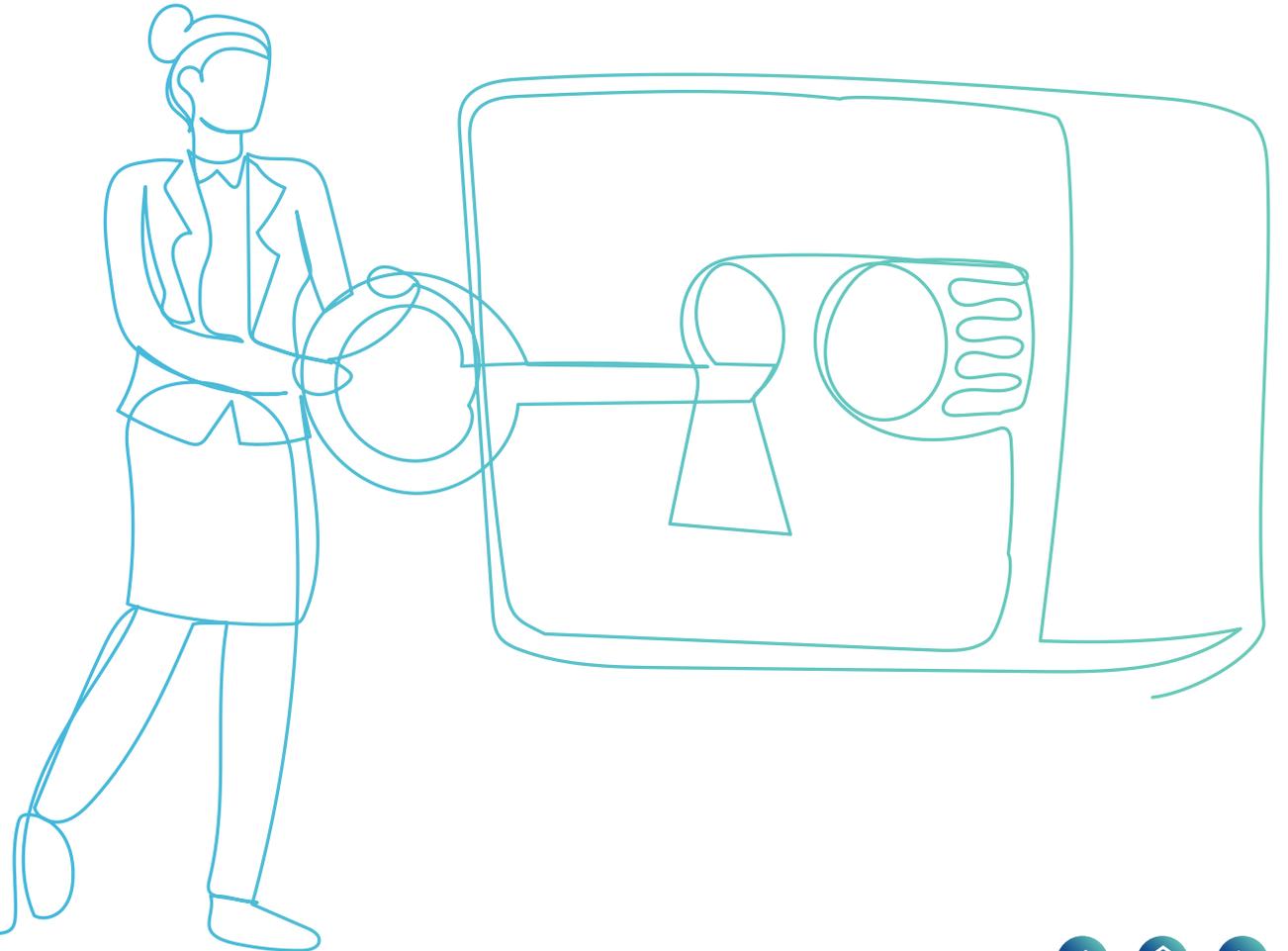
22. SHARE CAPITAL

	2025 AED '000	2024 AED '000
Authorised, issued and fully paid up share capital		
Shares 2,845,271,070 (2024: 2,845,271,070) ordinary shares of AED 1 (2024: AED 1 each)	2,845,271	2,845,271



23. TREASURY SHARES

During the year, the Group engaged a third-party licensed market maker on the Dubai Financial Market that offers liquidity provision services, to place buy and sell orders of the Group's shares with the objective of reducing bid/ask spreads as well as reducing price volatility in accordance with the market maker regulations. The initial advance balance remitted to the liquidity provider amounting to AED 15 million, and the outstanding balance as of 31 December 2025 is AED 5.3 million (2024: AED nil).





23. TREASURY SHARES (CONTINUED)

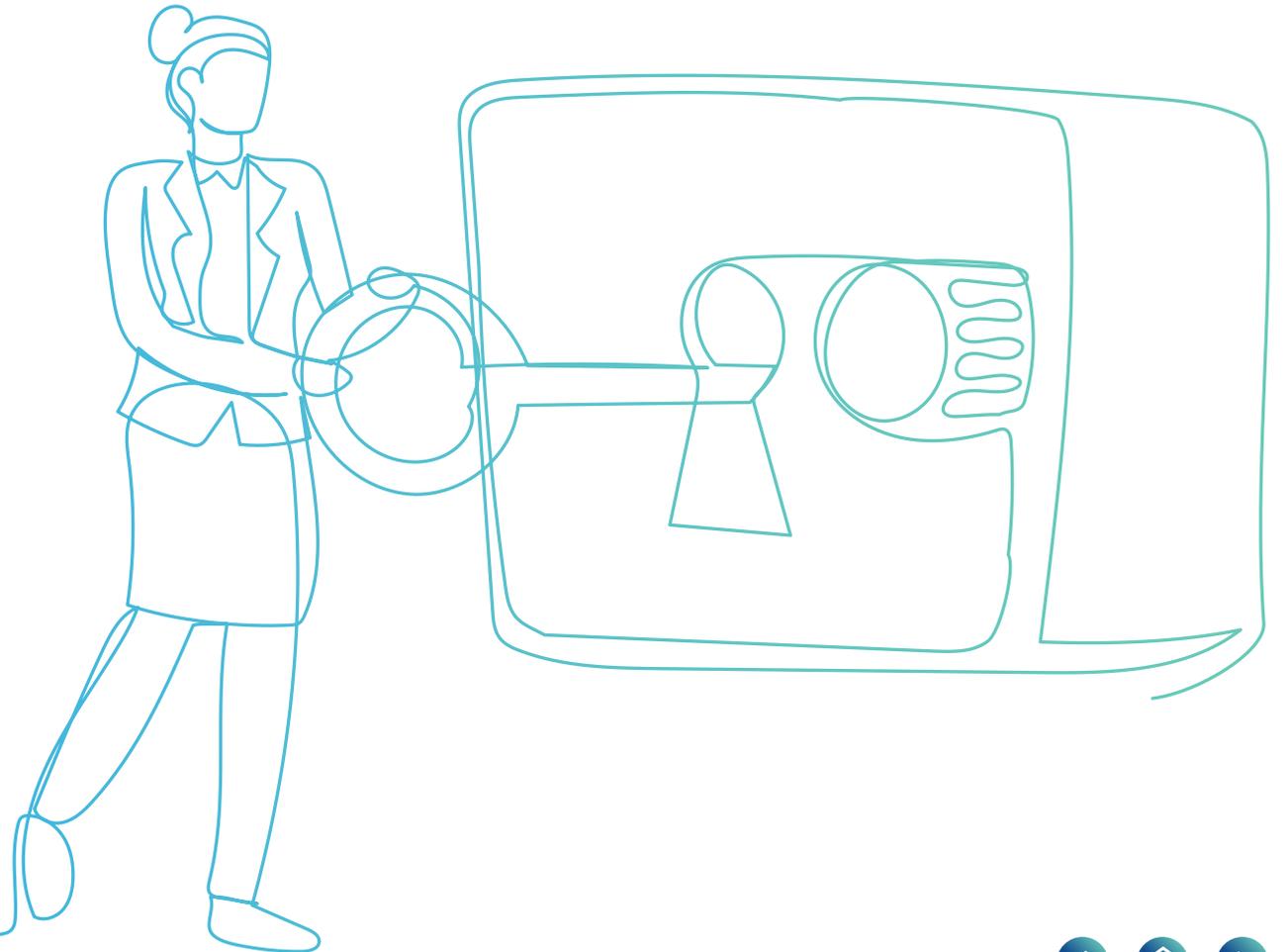
Movement in treasury shares is as under:

	2025 AED '000	2024 AED '000
At 1 January	3,314	3,295
Additions	3,038	-
Other reclass	-	19
At 31 December	6,352	3,314



24. STATUTORY RESERVE

As required by the UAE Federal Law No. (32) of 2021, as amended, and the Memorandum of Association of companies registered in UAE, 10% of the profit of the Company for the year is transferred to the statutory reserve. The Company may resolve to discontinue such transfers when the reserve equals 50% of the issued capital. The reserve is not available for distribution.





25. INTEREST BEARING LOANS AND BORROWINGS

	Effective interest rate, %	2025 AED '000	2024 AED '000
Term loan 1	SOFR + margin	-	1,895,761
Term loan 2	1 yr BM RO FD + margin	36,382	41,207
Term loan 3	1 yr BM RO FD + margin	6,915	7,400
Term loan 4	1 yr BM RO FD + margin	38,998	44,174
Term loan 5	1 yr BM RO FD + margin	8,835	7,178
Term loan 6	EIBOR + margin	44,697	48,890
Term loan 7	1 yr BM RO FD + margin	9,449	-
		145,276	2,044,610



25. INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

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

	2025 AED '000	2024 AED '000
Current	17,178	1,911,230
Non-current portion	128,098	133,380
	145,276	2,044,610

Term loan 1

- During the year 2020, the Group secured a facility of AED 1,900.4 million (USD 517.4 million) from a syndicate of banks to finance the acquisition of a subsidiary. The facility carried interest rate of SOFR plus margin. The interest is payable in cash on a flexible basis as agreed with the bank at every interest reset period. It is an un-secured facility, ranks pari passu with all other unsecured and unsubordinated liabilities of the Group.
- The facility was fully settled in March 2025.

Term loan 2

- Term loan 2 relates to a subsidiary and represents borrowing with a local commercial bank. The facility was refinanced during 2023 to avail better interest rates. The new facility is also secured against and commercial charge over property, plant and equipment. The loan is repayable in quarterly instalments and maturing in September 2033. The facility carries interest rate of 1 yr BM RO FD plus margin (2024: 4.75% per annum). During the year total repayments of AED 4.9 million were made (2024: AED 5.2 million).

Term loan 3

- Term loan 3 relates to a subsidiary and represents borrowing with a local commercial bank. The facility was availed in 2024 which is secured against and commercial charge over property, plant and equipment as well as over current assets. The loan is repayable in quarterly instalments beginning from September 2025 and maturing on March 2034. The facility carries interest rate of 1 yr BM RO FD plus margin (2024: 4.75% per annum). During the year total repayments of AED 0.5 million were made (2024: AED nil).

Term loan 4

- Term loan 4 relates to a subsidiary and represents borrowing with a local commercial bank. The facility was refinanced during 2023 to avail better interest rates. The new facility is also secured against and commercial charge over property, plant and equipment. The loan is repayable in quarterly instalments and maturing in June 2033. The facility carries interest rate of 1 yr BM RO FD plus margin (2024: 4.75% per annum). During the year total repayments of AED 5.3 million were made (2024: AED 5.2 million).



25. INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

Term loan 5

- Term loan 5 relates to a subsidiary and represents borrowing with a local commercial bank. The facility was availed in 2024 which is secured against and commercial charge over property, plant and equipment as well as over current assets. The loan is repayable in quarterly instalments beginning from September 2025 and maturing on March 2034. The facility carries interest rate of 1 yr BM RO FD plus margin (2024: 4.75% per annum). During the year total repayments of AED 0.5 million were made (2024: AED nil).

Term loan 6

- Term loan 6 relates to a subsidiary and represents borrowing with a local commercial bank. The facility amounting to AED 77.9 million was obtained to finance the acquisition of a plant. The facility carries interest rate of EIBOR plus a margin, payable in cash on a quarterly basis and is secured against the plant for which facility was obtained. The facility is repayable in 60 quarterly instalments with the last instalment due on 31 December 2031. During the year, total repayments of AED 4.3 million were made against this facility (2024: AED 4.2 million).

Term loan 7

- Term loan 7 relates to a subsidiary and represents borrowing with a local commercial bank. The facility was availed in 2024 which is secured against and commercial charge over property, plant and equipment as well as over current assets. The loan is repayable in quarterly instalments beginning from March 2026 and maturing on December 2035. The facility carries interest rate of 1 yr BM RO FD plus margin (2024: 4.75% per annum). During the year total repayments of AED nil were made (2024: AED nil).

Term loan 8

- A green revolving credit facility of AED 600 million was obtained by the Group during 2023 which is to be utilised in the form of drawing cash advances. The revolving facility carries interest at EIBOR plus margin and is repayable on 31 December 2028. During 2025, the Group has increased the limit from AED 600 million to AED 1,200 million. As of 31 December 2025, the company has utilised & repaid AED 900 million from the revolving credit facility (2024: AED 90 million). The funds withdrawn were largely utilised for the Group's investment in Arctic Holdco SPV LTD.
- Included in the interest-bearing loans and borrowings is an amount of AED 2.6 million of unamortised transaction cost (2024: AED 5.3 million).
- The Group has complied with all the applicable financial covenants as at 31 December 2025.



26. ISLAMIC FINANCING ARRANGEMENTS

	Effective profit rate %	2025 AED '000	2024 AED '000
Islamic financing arrangement (i)	SOFR + margin	-	640,666
Islamic financing arrangement (ii)	EIBOR/SOFR + margin	1,787,497	-
		1,787,497	640,666

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

	2025 AED '000	2024 AED '000
Current	180,061	640,666
Non-current	1,607,436	-
	1,787,497	640,666

Islamic financing arrangement (1)

- During the year 2020, the Group secured a new Islamic facility of AED 641.3 million (USD 174.6 million) from a syndicate of banks to finance the acquisition of a subsidiary. The facility carries profit rate of LIBOR plus margin. The profit is payable in cash on a flexible basis as agreed with the bank at every profit reset period. The facility was settled in March 2025.

Islamic financing arrangement (2)

- During 2025, the Group secured a new Shariah-compliant facility structured as a dual-tranche (AED/USD) of AED 1.8 billion (AED 900 million/USD 245.2 million) from a syndicate of banks to support strategic growth initiatives and optimise capital structure. The facility carries profit rate of EIBOR/SOFR plus margin. The profit is payable in cash as agreed with the Bank at every profit reset period. The facility is repayable in 6 years.
- Included in the Islamic financing arrangement is an amount of AED 13.1 million of unamortised transaction cost (2024: AED 0.6 million).





27. NON-CONVERTIBLE BONDS AND SUKUK

Non-convertible bonds

2025 AED '000	2024 AED '000
1,828,363	1,824,082

- During the year 2020, the Group issued 7-year investment grade bonds of USD 500 million which are listed on the International Securities Market of London Stock Exchange. The bonds carry 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 loans 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 8.1 million (2024: AED 12.4 million), which are amortised over the repayment period of the bonds using effective interest rate method.



27. NON-CONVERTIBLE BONDS AND SUKUK (CONTINUED)

Non-convertible sukuk

	2025 AED '000	2024 AED '000
Non-convertible sukuk (i)	-	946,466
Green Sukuk (ii)	2,561,319	-
	2,561,319	946,466

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

During 2025, sukuk amounting to USD 7.5 million (2024: USD 209 million) were purchased as part of its liability management, with total buyback amounting to USD 249.5 million as at 31 December 2025 (2024: USD 242 million). The sukuk bought back were fully cancelled on 31 October 2025. The remaining balance was settled on 31 October 2025.

(ii) 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 USD 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.

Sukuk is stated net of transaction costs incurred in connection with the sukuk arrangements, amounting to AED 9.4 million (2024: AED 1.2 million), which are amortised to the consolidated statement of profit or loss over the repayment period of the sukuk using effective interest rate method.

	2025 AED '000	2024 AED '000
Current	-	946,466
Non-current	4,389,682	1,824,082
	4,389,682	2,770,548

- There are no covenants applied on non-convertible bonds and sukuk, if the Group maintains investment grade credit rating status.

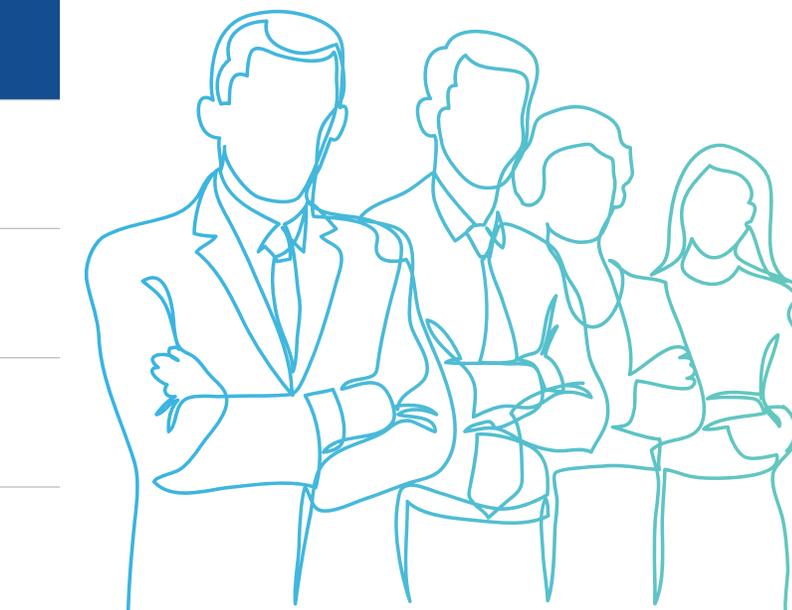


28. EMPLOYEES' END OF SERVICE BENEFITS

The Group provides for employees' end of service benefits in respect of its non-UAE employees in accordance with the employees' contracts of employment.

The movement in the provision recognised in the consolidated statement of financial position is as follows:

	2025 AED '000	2024 AED '000
At 1 January	50,179	45,258
Charge for the year (Note 6.3)	7,745	8,572
Payments made during the year	(4,326)	(3,651)
At 31 December	53,598	50,179





29. TRADE AND OTHER PAYABLES

	2025 AED '000	2024 AED '000
Non-current liabilities		
<i>Relating to capital expenditure:</i>		
Contractor payable and retentions	14,447	13,555
Others:		
Deferred consideration (i)	22,457	20,773
Contract liabilities	317,177	318,025
	354,081	352,353
Current liabilities		
<i>Relating to capital expenditure:</i>		
Contractor payable and retentions	-	1,028
Accrued expenses	13,930	68,116
	13,930	69,144
Others:		
Accrued expenses	270,515	284,498
Trade payables	103,863	86,684
Deposits	99,644	109,179
Amounts due to related parties	24,650	28,719
Contract liabilities	19,422	19,115
Deferred income	13,658	3,223
VAT payable	9,149	3,906
Derivative financial liabilities	5,621	-
Other payables	31,435	74,560
	577,957	609,884
	591,887	679,028

- (i) Deferred consideration related to the acquisition made for S&T Cool District Cooling Company- Sole Proprietorship LLC. The outstanding balance relates to the obligation to make earn-out payments upon the achievement of certain targets. As per the share purchase agreement between the buyer and the seller, the consideration will be paid as a lump sum amount in 2047.

Terms and conditions of the financial liabilities:

Trade payables and other financial liabilities are non-interest bearing and are normally settled on 60-90 days terms. Retention payables are non-interest bearing and are normally settled in accordance with the terms of the contracts. For terms and conditions relating to related parties, refer to note 30.

Movement in contract liabilities is as follows:

	2025 AED '000	2024 AED '000
Contract liabilities	359,056	357,913

- Contract liabilities represent un-satisfied performance obligation related to connection fees.
- During the year ended 31 December 2025, total addition amounted to AED 19.8 million (2024: AED 47.6 million). The revenue recognised during the year is AED 18.6 million (2024: AED 19.6 million).



30. RELATED PARTY TRANSACTIONS AND BALANCES

- Related parties represent associated companies, joint ventures, directors and key management personnel of the Group, management entities engaged by 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 party includes purchase and sale of chilled water and provision of management services. Significant transactions with related parties included in the consolidated statement of profit or loss are as follows:

	2025		2024	
	Revenue AED '000	Direct costs AED '000	Revenue AED '000	Direct costs AED '000
Associates and joint ventures	15,233	64,354	16,868	65,026

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

	2025		2024	
	Trade receivables AED '000	Trade payables and advances AED '000	Trade receivables AED '000	Trade payables and advances AED '000
Associates and joint ventures	4,785	24,650	10,183	28,719



30. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Terms and conditions of transactions with related parties

Transactions with related parties are made at agreed terms and conditions approved by management and are analysed as follows:

Compensation of key management personnel

The remuneration of key management personnel during the year was as follows:



	2025 AED '000	2024 AED '000
Short-term benefits	12,468	12,197
Employees' end of service benefits	152	145
	12,620	12,342
Number of key management personnel	6	6



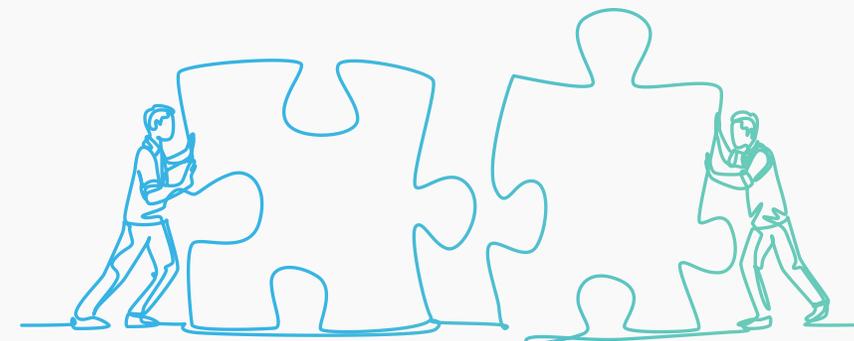
31. CONTINGENT LIABILITIES

Bank guarantees

The banks have issued guarantees on behalf of the Group as follows:

	2025 AED '000	2024 AED '000
Performance guarantees	64,937	66,596
Advance payment guarantees	633	791
Financial guarantees	8,244	8,905
Other guarantees	105,580	-
	179,394	76,292

The Group's share of contingencies of associates and joint ventures as of 31 December 2025 amounted to AED 80.9 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 consolidated financial statements.





32. COMMITMENTS

Contractual commitments

The authorised contractual commitments as at 31 December 2025, contracted but not provided for amounted to AED 385.9 million (2024: AED 219 million). The Group's share of authorised future capital expenditure of associates at 31 December 2025 amounted to AED nil (2024: AED 1.1 million) and the Group's share of authorised future capital expenditure for joint ventures amounted to AED nil (2024: AED nil).

Operating lease commitments - lessor

The Group enters into cooling service agreements with its customers for the provision of chilled water. Some of these agreements qualify to be classified as a lease and have been accounted for as an operating lease as the Group does not transfer substantially all the risks and rewards of ownership of the asset to the customer.



32. COMMITMENTS (CONTINUED)

Operating lease commitments – lessor (continued)

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	2025 AED '000	2024 AED '000
Within one year	83,085	81,770
After one year but not more than five years	287,805	306,217
More than five years	507,885	557,980
	878,775	945,967



33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

- The Group's principal financial liabilities, other than derivatives, comprise interest bearing loans and borrowings, Islamic financing, lease liabilities, non-convertible bonds and Sukuk, trade payables and due to related parties. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as finance lease receivables, trade receivables, due from related parties, long term deposits and cash and bank balances, which arise directly from its operations.
- The Group enters into derivative transactions to manage the interest rate risk arising from the Group's sources of finance. It is, and has been throughout 2025 and 2024 the Group's policy that no trading in derivatives shall be undertaken.
- The Group is exposed to market risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

(a) Market risk

- Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise the following types of risk: interest rate risk and currency risk.
- Financial instruments affected by market risk include loans and borrowings, Islamic financing arrangements, deposits, finance lease receivables, lease liabilities and derivative financial instruments.
- The sensitivity analysis in the following sections relate to the position as at 31 December 2025 and 2024.
- The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of the hedge designations in place at 31 December 2025 and 2024.

The following assumptions have been made in calculating the sensitivity analyses:

- The consolidated statement of financial position sensitivity relates to derivatives instruments.
- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 December 2025 and 2024 including the effect of hedge accounting.



33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Interest rate risk

- Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
- The Group's cash flow exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations and deposits with floating interest rates.
- To manage the cash flow risk relating to its variable interest borrowings, the Group enters into interest rate swaps, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon notional principal amount. These swaps are designated to hedge underlying debt obligations. At 31 December 2025, after taking into account the effect of interest rate swaps, 100% of the Group's borrowings are at a fixed rate of interest (2024: 100%).

(c) Foreign currency risk

- Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
- The majority of the transactions and balances are in either UAE Dirham or US Dollar or currencies that are pegged to US Dollar. As the UAE Dirham is pegged to the US Dollar, balances in US Dollar are not considered to represent significant foreign currency risk.

(d) Credit risk

- The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. The maximum exposure relating to trade receivables, contract assets and finance lease receivables is the carrying amount as disclosed in notes 20 and 16 respectively. The Group's 3 largest customers accounted for 67% of outstanding trade and related party receivable balances at 31 December 2025 (2024: 3 largest customers accounted for 52%). Amounts due in respect of finance lease receivables are from 13 customers (2024: 11 customers).
- The Group applies IFRS 9 simplified approach to measure expected credit losses which uses a expected loss allowance for all trade receivables, contract assets and finance lease receivables.
- To measure the expected credit losses, trade receivables, contract assets and finance lease receivables have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.
- The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.
- With respect to credit risk arising from other financial assets of the Group, which comprise cash and bank balances and certain derivative instruments, the Group's exposure to credit risk arises from default of the counterparty, maximum is equal to the carrying amount of these instruments. The Group seeks to limit its credit risk to banks by only dealing with reputable banks, and independently rated parties with a minimum of investment grade ratings are accepted.
- For finance lease receivables, the Group uses simplified approach, requiring lifetime ECL recognition at all times. ECL provision is based on the Group's historical information adjusted for future expectations using macro-economic indicators. The finance lease receivables are concentrated with a few parties which are owned by Government of UAE and thus carries very low credit risk leading towards immaterial provision allowance.



33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Liquidity risk

- The Group monitors its risk to a shortage of funds using a cash flow model. This tool considers the maturity of its financial assets (trade receivables, finance lease receivables and other financial assets) and projected cash outflows from operations and capital projects.
- The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of term loans.

The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2025 and 2024 based on undiscounted payments and current market interest rates.

	On demand AED '000	Less than 3 months AED '000	3 to 12 months AED '000	1 to 5 years AED '000	>5 years AED '000	Total AED '000	Carrying value AED '000
Interest bearing loans and borrowings	-	6,442	19,399	127,432	32,658	185,931	145,276
Islamic financing arrangements	-	67,153	197,442	1,911,731	-	2,176,326	1,787,497
Non-convertible bonds and Sukuk	-	45,398	136,243	4,890,823	-	5,072,464	4,389,682
Lease liabilities	-	17,143	44,283	85,744	95,382	242,552	178,169
Trade and retention payables, due to related parties and other financial liabilities	-	131,676	127,916	20,068	-	279,660	279,660
At 31 December 2025	-	267,812	525,283	7,035,798	128,040	7,956,933	6,780,284
Interest bearing loans and borrowings	-	1,922,630	20,605	91,273	63,423	2,097,931	2,044,610
Islamic financing arrangements	-	649,569	-	-	-	649,569	640,666
Non-convertible bonds and Sukuk	-	-	1,983,420	1,928,325	-	3,911,745	2,770,548
Lease liabilities	-	14,942	38,162	107,657	101,178	261,939	191,858
Trade and retention payables, due to related parties and other financial liabilities	-	118,623	181,547	13,555	-	313,725	313,725
At 31 December 2024	-	2,705,764	2,223,734	2,140,810	164,601	7,234,909	5,961,407



33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Liquidity risk

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	2025 AED '000	2024 AED '000
Expiring beyond one year (bank loans)	1,200,000	600,000

(f) Capital management

- The primary objective of the Group's capital management is to achieve strong credit metrics and healthy capital ratios in order to support its business and maximise shareholder value.
- The Group manages its capital structure and adjusts it, in the light of changes in economic conditions. There are no regulatory imposed requirements on the level of share capital which the Group has not met.
- The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, Islamic financing arrangement, non-convertible bonds and Sukuk and lease liabilities less cash and bank balances. Capital includes total equity excluding non-controlling interests less cumulative changes in fair value of derivatives.

	2025 AED '000	2024 AED '000
Interest bearing loans and borrowings	145,276	2,044,610
Islamic financing arrangement	1,787,497	640,666
Non-convertible Bonds and Sukuk	4,389,682	2,770,548
Lease liabilities	178,169	191,858
	6,500,624	5,647,682
Less: cash and bank balances	(654,990)	(1,022,776)
Net debt	5,845,634	4,624,906
Equity attributable to equity holders of the Company	6,078,945	6,343,557
Adjustment for cumulative changes in fair values of derivatives	38,866	(45,225)
Total capital	6,117,811	6,298,332
Capital and net debt	11,963,445	10,923,238
Gearing ratio	49%	42%



33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

33.1 Financial instruments

The accounting policies for financial instruments have been applied to the line items below:

	2025 AED '000	2024 AED '000
Trade and other receivables	498,276	415,049
Finance lease receivables	2,671,247	2,783,172
Cash and bank balances including long term deposits	665,653	1,032,314
Financial assets measured at amortised cost	3,835,176	4,230,535
Trade and other payables	274,039	313,725
Interest bearing loans and borrowings	145,276	2,044,610
Islamic financing arrangement	1,787,497	640,666
Non-convertible Bonds and Sukuk	4,389,682	2,770,548
Lease liabilities	178,169	191,858
Financial liabilities measured at amortised cost	6,774,663	5,961,407

For the purpose of the financial instrument's disclosure, non-financial assets and non-financial liabilities have been excluded from 'trade and other receivables' and 'trade and other payables', respectively.



33. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENT (CONTINUED)

Fair values of financial instruments

The fair values of the Group's financial assets and liabilities are not materially different from their carrying values at the reporting date except for finance lease receivables, interest bearing loans and borrowings, Islamic financing arrangement, non-convertible bonds and Sukuk and lease liabilities. Set out below is a comparison of carrying amounts and fair values of such instruments:

	Carrying Amount		Fair Value	
	2025 AED '000	2024 AED '000	2025 AED '000	2024 AED '000
Asset (liabilities) measured at fair value				
Interest rate swaps	(5,621)	50,152	(5,621)	50,152
Assets (liabilities) for which fair value is disclosed				
Financial assets				
Finance lease receivables	2,671,247	2,783,172	2,858,438	2,990,491
Financial liabilities				
Interest bearing loans and borrowings	145,276	2,044,610	123,112	2,033,118
Islamic financing arrangement	1,787,497	640,666	1,763,048	640,879
Non-convertible bonds and Sukuk	4,389,682	2,770,548	4,277,209	2,774,952
Lease liabilities	178,169	191,858	219,519	225,334



33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

33.2 Fair value hierarchy

As at 31 December 2025 and 2024, the fair value measurement hierarchy of the Group's assets and liabilities is as follows:

	2025				2024			
	31 December 2025 AED'000	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	31 December 2024 AED'000	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000
Assets /(Liabilities) measured at fair value								
Interest rate swaps	(5,621)	-	(5,621)	-	50,152	-	50,152	-
Assets for which fair values are disclosed								
Finance lease receivables	2,858,438	-	-	2,858,438	2,990,491	-	-	2,990,491
Liabilities for which fair values are disclosed								
Interest bearing loans and borrowings	123,112	-	-	123,112	2,033,118	-	-	2,033,118
Islamic financing arrangement	1,763,048	-	-	1,763,048	640,879	-	-	640,879
Non-convertible bonds and Sukuk	4,277,209	4,277,209	-	-	2,774,952	2,774,952	-	-
Lease liabilities	219,519	-	-	219,519	225,334	-	-	225,334
	6,382,888	4,277,209	-	2,105,679	5,674,283	2,774,952	-	2,899,331

During the reporting years ended 31 December 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.





33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

33.2 Fair value hierarchy (Continued)

The following methods and assumptions were used to estimate the fair values for assets and liabilities measured at fair value:

Derivative financial instruments

- The Group enters into derivative financial instruments with various banks and financial institutions with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are interest rate swaps. The most frequently applied valuation techniques include swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, interest rate curves and forward rate curves of the underlying commodity.

Other financial assets (liabilities)

- Fair values of other financial assets and liabilities are estimated by discounting future cash flows using prevailing current market rates.

33.3 Hedging activities

Cash flow hedges

- The Group is exposed to variability in future interest cash flows on interest bearing loans and borrowings which bear interest at a variable rate.
- In order to hedge its exposure to variable interest rate fluctuations on its interest-bearing loans the Group has entered into interest rate swaps with counter-party banks designated as cash flow hedges for notional amounts that mirror the drawdown and repayment schedule of the respective loans. The cashflow hedges are assessed as fully effective based on management qualitative assessment of the critical terms of the hedging arrangements. The notional amount of the interest rate swaps was AED 1,835 million as at 31 December 2025 (2024: AED 2,541 million).
- Upon derecognition, the cumulative fair value change recognized in OCI is recycled to consolidated profit and loss account.

The schedule indicating the maturity profile of the derivative related assets and liabilities as at 31 December is as follows:

	Within 1 year AED '000	More than 1 Year AED '000	Total AED '000
2025			
Cash inflows (assets)	48,709	129,678	178,387
Cash outflows (liabilities)	(55,568)	(127,025)	(182,593)
Net cash outflows	(6,859)	2,653	(4,206)
2024			
Cash inflows (assets)	1,542	55,425	56,967
Cash outflows (liabilities)	(1,527)	(6,591)	(8,118)
Net cash outflows	15	48,834	48,849

All derivative contracts are with counterparty banks in UAE.



34. 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.

The Group has re-presented its prior year as a result of the change in presentation as follows:

Consolidated statement of profit or loss

	Previously reported amount AED '000	Reclassification AED '000	Revised amount AED '000
Revenue	2,433,769	(2,147)	2,431,622
Direct cost	(1,352,734)	(1,598)	(1,354,332)
Provision for expected credit losses on trade receivables	(906)	(1,572)	(2,478)
Administrative and other expenses	(287,047)	5,317	(281,730)
	793,082	-	793,082

Consolidated statement of financial position

	Previously reported amount AED '000	Reclassification AED '000	Revised amount AED '000
Deferred consideration	-	20,773	20,773
Deferred income	23,996	(20,773)	3,223
Net Change	23,996	-	23,996

