Important Announcement regarding the Sale Price Range for the Shares in Emirates Central Cooling Systems Corporation PJSC (the "Company" or "Empower") and Listing of its Shares on Dubai Financial Market

EMPOWER
ENERGY
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Following the announcement of the Company on 24 October 2022 of its intention to Float on the Dubai Financial Market ("**DFM**") through a public subscription of 1,000,000,000 (one billion) of the ordinary shares with a nominal value of AED 0.10 (10 fils) each representing 10% (ten percent) of the total issued shares in the Company with an amount of 1,000,000,000 (one billion) UAE dirhams (the "**Offer Shares**") in the public subscription in the United Arab Emirates (the "**UAE**"), the Company hereby announces the price range for the sale of its shares (the "**Offer Price Range**").

The price range has been set at between AED **1.31** to AED **1.33** per share.

The number of ordinary shares, with a nominal value of AED 0.10 (10 fils) per share, offered for sale by the selling shareholders (Dubai Electricity and Water Authority PJSC ("**DEWA**") and Emirates Power Investment LLC ("**Emirates Power**")) ("**Selling Shareholders**") will be 1,000,000,000 (one billion) of the ordinary shares, including the offer of up to 5% of the Offer Shares allocated to the Emirates Investment Authority ("**EIA**") and the offer of up to 5% of the Offer Shares allocated to Pensions and Social Security Fund of Local Military. The Selling Shareholders reserve the right to amend the size of the Offering and the tranche sizes at any time prior to the end of the subscription period at their sole discretion, subject to applicable laws and the approval of the Securities and Commodities Authority ("**SCA**").

If all of the Offer Shares are subscribed for and allocated and there is no increase in the number of the Offer Shares, the Offer Shares will represent 10% (ten per cent) of the total issued ordinary shares in the capital of the Company (the "**Shares**"). The Selling Shareholders reserve the right to amend the size of the Offering tranche sizes at any time prior to the end of the subscription period at their sole discretion, subject to the applicable laws and the approval of the SCA. Prior to this Offering, the Shares have not been listed on any financial market and there has been no public market for the Shares. Following the closing of the Offer Periods in respect of the First Tranche and the Second Tranche, the Company will apply to list its Shares on the DFM.

The final offer price of the offer shares ("**Final Offer Price**") will be determined through the application of a book building process, where a subscription orders ledger will be created through the subscription orders made only by the Professional Investors. The Company will issue a press release in the UAE setting out the final offer price of the Offer Shares on **9 November 2022.**

Listing is expected to take place on the DFM on **15 November 2022 ("Listing").**

The Company is a public joint stock company established in the UAE. Upon the completion of the Offering, the Company's paid-up share capital shall be AED 1,000,000,000 (one billion UAE dirhams), divided into 10,000,000,000 (ten billion) Shares with a nominal value of AED 0.10 (ten Fils) per Share.

All defined terms in this announcement have the same meaning as set out in the Prospectus of the Offering published on 24 October 2022, unless otherwise indicated.

Approval of the Competent Authorities

The SCA has approved the publication of this announcement, the SCA's approval on the publication does not constitute an endorsement of the feasibility of investment nor a recommendation to subscribe to the shares; this announcement shall be read in conjunction with the Prospectus. The SCA is not considered responsible for the accuracy, completeness or adequacy of the information contained in the Prospectus and SCA does not bear any responsibility for any damages or losses incurred by any person as a result of relying on the Prospectus or any part of it. The members of the Company's board of directors, jointly and severally, bear full responsibility regarding the validity of the information and data contained in the Prospectus, and they confirm, to the extent of their knowledge and belief, and subject to due diligence and after conducting reasonable studies, that there are no other facts or material information, which were not included in the Prospectus that renders any statement contained therein misleading to the subscribers or influencing their decision to invest.

Investments Risks

Investment in the Offer Shares involves a high degree of risk. Prospective subscribers should carefully read the "Investment Risks" and "Important Notice" section of the Prospectus to inform themselves about factors that should be considered before investing in the Offer Shares.

The following are included in this announcement:

Summary of the Financial Statements and a Summary of Key Notes and Key Financial Indicators as of and for the year ended 31 December 2020 (with comparative financial information for the year ended 31 December 2019) and 31 December 2021(with comparative financial information for the year ended 31 December 2020) and for the six months ended 30 June 2022 (with comparative financial information for the six months ended 30 June 2021) and for the nine months ended 30 September 2022 (with comparative financial information for the nine months ended 30 September 2021).

Summary of the Board of Directors' Report

1. Snapshot on the Establishment of the Company

Name of the Company:	Emirates Central Cooling Systems Corporation PJSC
Primary objects of the Company:	a) The objectives of the Company, pursuant to the Law No.22 of 2022 and the Articles of Association are as follows: 1. To produce chilled water for air conditioning and any other derivatives related thereto to supply commercial, residential and industrial establishments and any other facilities in consideration of a fee; 2. To own, manage, operate, maintain and lease central and/or standalone cooling systems and related transmission and distribution networks and other equipment; 3. To establish joint ventures with any third parties for the objectives stipulated above; 4. Investing in projects that contribute to the preservation of natural resources, protection of the environment, and achieve an added value for the development and improvements in the Emirate, and 5. Any other objectives that may be determined herein. b) For achieving the objectives referred to in Paragraph (a), the Company may: 1. Contract with third parties to establish plants, networks and equipment for producing chilled water in and outside of the Emirate. 2. Establish wholly and/or partially owned companies and contribute, directly or indirectly, in companies associated with its objectives both inside and outside the UAE 3. Own, possess, sell, lease and rent, real estates, lands, assets, equipment and facilities as may be necessary or conducive to the attainment of its principal objectives and any other dispositions of any legal form including mortgage; 4. Invest and employ its funds in any commercial, financial, service or industrial fields. 5. Borrow funds and issue bonds or sukuk either secured or unsecured in accordance with the provisions of the Articles of Association. 6. Any other businesses or activities, achieving its objectives directly or indirectly, in accordance with the provisions of the Articles of Association.
Head office:	Al Hudaiba Awards Building, Block A, 8th Floor, Opposite Union House Jumeirah Beach Road, 2nd December Street Dubai, United Arab Emirates.
Term of the Company:	99 years to be automatically renewed thereafter.
Financial year:	1 January to 31 December.
Independent Auditors:	PricewaterhouseCoopers (Dubai Branch) ("PWC") Emaar Square Building 5, P.O. 11987, Dubai, United Arab Emirates
Major banks dealing with the Company:	**Nature of relationship**
Emirates NBD Bank PJSC (ENBD) HSBC Bank Middle East Ltd. Dubai Islamic Bank (DIB) Abu Dhabi Commercial Bank PJSC (ADCB) Mashreq bank PSC	Current accounts, Call deposit accounts and Fixed Deposit accounts extending trade finance facilities and term financings (both Conventional and Islamic products).

2. Strategy of the Company

The Group is Well-positioned to Capture Growth Opportunities in the UAE

The Group believes it is well positioned to capture growth opportunities in Dubai as a result of its strong market position, which is expected to rise to approximately 80% (subject to completing the Dubai International Airport District Cooling Acquisition) of the total connected capacity of Dubai by the end of 2022, and its significant scale as the largest district cooling platform globally according to the International District Energy Association

While the focus of the Group's growth strategy, in the short to medium term, is the Dubai market, the Group may consider, in its medium to long term plans, exploring international expansion, which may include the KSA, Qatar and other markets that have broad adoption, or potential for adoption, of DCS. It is estimated that a substantial majority of electricity usage in the UAE and wider GCC region is used for space cooling. District cooling is a system of cooling air that is produced by chilled water and distributing it through an underground network of insulated pipes to buildings or homes. As such, district cooling offers a more energy efficient solution that utilises approximately half of the electricity consumption of traditional cooling for the same cooling output, therefore providing a more environmentally-friendly and sustainable cooling solution. Furthermore, the UAE residential real estate market is projected to grow at a CAGR of more than 4% during the period 2019 to 2025

The Group aims to deliver incremental growth by leveraging infrastructure at existing developments to expand its network to nearby and adjacent developments and buildings on the success of its expansion to Bluewaters Islands from the Groups' Jumeirah Beach Residence development and Coca Cola Arena from its Business Bay development. The Group has also been increasingly exploring opportunities to expand by retrofitting older adjacent developments where it is commercially feasible, having successfully transitioned the Jumeirah Emirates Towers, which had its old cooling system replaced by installing an energy transfer station of total capacity of 5,000 RT that can be further upgraded to 6,000 RT. Other retrofitted developments of the Group include Madinat Jumeirah, Jumeirah Beach Hotel and the Burj Al Arab (with a contracted capacity of 20,000 RT) from traditional cooling to the Group's DCS.

The Group has a successful track record of growth through acquisitions and will continue to explore further inorganic growth opportunities both domestically and regionally in the broader Middle East region. The Group has experienced strong growth in connected capacity since 2004, with connected capacity undergoing a 35% CAGR from 2004 to 2022, taking into account the recently signed heads of terms agreement with Dubai Aviation City Corporation in relation to the Dubai International Airport District Cooling Acquisition, which, upon completion, will add an additional connected capacity of approximately 70,000 RT to the Group's network. The Group plans to leverage its deep expertise in acquisitions and relationships with financing banks and stakeholders to continue to complete transactions domestically as a market consolidator capitalising on the carve-out and monetisation of large-scale district cooling plants in the UAE.

The Group is currently largest District Cooling Service Provider ("DCS") in the World and the Clear Leader in Dubai

According to the International District Energy Association, the Group is currently the world's largest DCS provider and it is a clear leading player in the district cooling market in Dubai with a targeted market share of approximately 80% of the total connected capacity of the district cooling market in Dubai by the end of 2022 (Government of Dubai, August 2022) and more than 110,000 customers (including the recent acquisition of Nakheel and the Dubai International Airport District Cooling Acquisition), with the district cooling sectors' market penetration in Dubai is forecasted to grow from 25.6% in 2021 to 40% by 2030, as per the Dubai Integrated Energy Strategy 2030 (DC Pro Analysis). The UAE had a total installed capacity of 3.3 million RT in 2021. In 2020, Dubai had a total contracted and installed capacity of 2.1 million RT and 2.3 million RT (DC Pro Analysis). respectively, with 844,000 RT of connected capacity to be added in the Dubai market over the next six years.

3. List of Group's subsidiaries

The following table provides each of the Group's subsidiaries as of 30 June 2022.

Name	Country of Incorporation	Ownership
Empower Logstor LLC(ELIPS)	UAE	97.0%
Palm District Cooling LLC	UAE	99.9%
Palm Utilities LLC	UAE	99.5%
Empower FM LLC	UAE	100%
Empower Engineering & Consultancy LLC	UAE	100%
Empower Snow LLC	UAE	100%

4. Securities previously issued by the Company

The Company has not issued any securities prior to listing its shares on the DFM.

5. Members of the Board of Directors

The board of directors consists of the following directors:

Name	Year of Birth	Nationality	Capacity
H.E Saeed Mohammed Ahmed Al Tayer	1959	UAE	Chairman, Independent
Mr. Nasser Mohammed Hussain Bin Lootah	1963	UAE	Independent
Mr. Hussain Essa Ibrahim Lootah	1969	UAE	Independent
Mr. Amit Kaushal	1983	British	Non-independent
Ms. Fatma Ibrahim Abdulla Belrehif	1984	UAE	Independent
Mr. Majed Sultan Murad Al Joker	1970	UAE	Independent
Mr. Issam Abdul Rahim Abdulla Kazim	1976	UAE	Independent

6. Members of Senior Management

The day-to-day management of the Company's operations is conducted by the following senior management team:

Name	Position(s)	Year of appointment
H.E. Ahmad Bin Shafar	Chief Executive Officer	2004
Ramesh Ramadurai	Chief Financial Officer	2004
Tariq Alyasi	Chief Operations and Maintenance Officer	2006
Mohamed Samer Khoudeir	Chief Sales & Marketing Officer	2005
Edgar Qureshi	Chief Commercial Officer	2004
Mohamed Kahoor	Chief Business Support Services Officer	2005
Ahmad AlQassem	Director – Human Capital	2013
Murugesan Vasanthan	Director – Internal Audit	2013

7. The ownership percentage of the members of the Board of Directors, senior management and their first-degree relatives in the Company and its subsidiaries.

None of the members of the board of directors or the senior management and their first-degree relatives own any shares in the Company and its subsidiaries.

8. List of the owners of 5% or more of the Company's shares and the number of shares owned.

Before the Offering:

Shareholder	Nationality	Number of Shares owned*	Total value of Shares owned (AED)*	Ownership percentage
DEWA	UAE	7,000,000,000	700,000,000	70%
Emirates Power	UAE	3,000,000,000	300,000,000	30%
Total				100%

***Based on the nominal value**

After the Offering (assuming all of the Offer Shares are subscribed for and allocated and there is no increase in the number of the Offer Shares)

Name	Nationality	Type of Shares	Number of Shares owned	Total value of Shares owned (AED)*	Ownership percentage
DEWA	UAE	Ordinary	6,300,000,000	630,000,000	63 %
Emirates Power	UAE	Ordinary	2,700,000,000	270,000,000	27 %
Successful Subscribers at Listing	Various	Ordinary	1,000,000,00	100,000,000	10%
Total					100%

Based on the nominal value

9. Board of Directors' evaluation of the Company's performance and achievements in comparison with the objective plan

The current performance and achievements of the Company are in line with the expectations and forecast of the senior management of the Company.

Overview

Empower was established on 23 November 2003 as a corporate entity pursuant to Dubai Law No. (10) of 2003 ("Law No. 10") and amended by Dubai Law No. (3) of 2010 and commenced commercial operations on 15 February 2004.

On 14 October 2022, pursuant to Law No. 22 of 2022 (which repealed the Law No. 10 and any other legislation to the extent that contradicts its provisions), the Company was established in its current form, as a public joint stock company to succeed Emirates Central Cooling Systems Corporation.

The principal activities of the Company and its subsidiaries (the Group) are the provision of district cooling services ("DCS"), the management, operation and maintenance of central cooling plants and related distribution networks, and the production and selling of pre-insulated pipes and fittings.

Company's Vision and Mission

The Company's vision is to be the world's leading DCS provider by promoting sustainable and optimised use of energy resources to deliver reliable, cost-effective and environmentally friendly world-class DCS to achieve customer satisfaction, thereby creating long-term shareholder value.

Brief on the Group's Business.

- The Group provides DCS to various residential, commercial and mixed-use developments in Dubai and is the largest DCS provider in the world in terms of connected capacity, according to the International District Energy Association. The Group's Pre-insulated Pipe segment is involved in manufacturing, and selling of pre-insulated pipes and fittings that relates to the expansion of the Group's Chilled Water segment, which constructs, owns, assembles, installs, operates and maintains district cooling plants, as well as distributes and sells chilled water to cool buildings.
- The Group has promoted the implementation of district cooling technology in the UAE, leading the market in deploying a more sustainable method to cool buildings. District cooling utilises water sourced from the existing water distribution network, combining the use of potable water and Treated Sewage Effluent (TSE).
- The Group is currently the largest DCS Provider in the World and the clear leader in Dubai.
- The Group has sustainable-centric business model enabling Dubai's energy transition.
- The Group's managerial and operational expertise, coupled with innovative technology solutions, has enabled it to continue to optimise its operations and continue to deliver operational improvements, resulting in cost savings and a disciplined capital expenditure programme.
- The Group has highly predictable and resilient cash flows, underpinned by robust commercial agreements, as well as a high growth financial profile backed up by long-term exclusivity agreements with some of the largest master developers in Dubai.

10.The shareholding percentage of non-UAE nationals in the capital of the Company

As of the date of this announcement, the share capital of the Company is wholly owned by UAE nationals.

11. Dividend Policy

The Company's ability to pay dividends is dependent on a number of factors, including the availability of distributable reserves and its capital expenditure plans and other cash requirements in future periods, and there is no assurance that the Company will pay dividends or, if a dividend is paid, what the amount of such dividend will be. See "Risk Factors - Risks Relating to the Offering and to the Shares - The Company may not pay dividends on the Shares. and consequently, investors may not receive any return on investment unless they sell their Shares for a price greater than that which was paid for them". Any level or payment of dividends will depend on, among other things, future profits and the business plan of the Company and additional growth avenue, at the discretion of the Board of Directors and subject to the approval from the shareholders in the General Assembly.

Subject to the foregoing, the Company intends adopt a semi-annual dividend distribution policy and to pay dividends twice each fiscal year after the Offering in April and October of each year. The Group expects to pay a minimum dividend amount of AED 850 million per annum in the first two fiscal years following the Offering (April 2023-October 2024) The Company expects to distribute its first dividend payment of a minimum of AED 425 million after the Offering for the second half of 2022, by April 2023. After the October 2024 distribution, the Company expects to pay sustainable dividend in line with the growth of the business.

In addition, prior to the Offering, on 26 September 2022 the Board of Directors approved a dividend payment of AED 2.9 billion to the Selling Shareholders which was paid on 29 September2022

This dividend policy is designed to reflect the Company's expectation of strong cash flow and expected long-term earnings potential, while allowing the Company to retain sufficient capital to fund ongoing operating requirements and continued investment for long-term growth. This dividend policy is subject to consideration of the Board of Directors of the cash management requirements of the Company's business for operating expenses, financing expense and anticipated capital expenditures. In addition, the Company expects that the Board of Directors will also consider market conditions, the then current operating environment in the Company's markets, and the Board of Directors' outlook for the Company's business.

12. Summary of the Financial Statements and a Summary of Key Notes and Key Financial Indicators as of and for the year ended 31 December 2020 (with comparative financial information for the year ended 31 December 2019) and 31 December 2021(with comparative financial information for the year ended 31 December 2020) and for the six months ended 30 June 2022 (with comparative financial information for the six months ended 30 June 2021) and for the nine months ended 30 September 2022 (with comparative financial information for the nine months ended 30 September 2021).

The following should be read in conjunction with the Annual Financial Statements and the Interim Financial Statements included in the Prospectus. Investors should also read certain risks associated with the purchase of Offer Shares in the section entitled "Investment Risks".

This section also includes certain Non-IFRS measures including EBITDA, and Adjusted EBITDA, Adjusted EBITDA margin. These Non-IFRS measures were calculated by the Company based on data derived from the Annual Financial Statements, H1 Interim Financial Statements and Q3 2022 Interim Financial Statements.

1. Statement of Profit or Loss Data

	Year ended 31 December			Six months ended 30 June		Nine months ended 30 September	
	2019	**2020***	**2021**	**2021**	**2022**	**2021**	**2022**
	(AED thousand)						
Revenue	2,189,340	2,255,115	2,463,874	993,114	1,154,257	1,806,782	2,073,074
Interest income on financial asset at amortised cost	-	-	-	-	9,251	-	13,927
Impairment reversal of project cost	-	53,529	32,328	-	-	-	-
Cost of sales	(1,220,327)	(1,216,084)	(1,394,449)	(520,411)	(615,175)	(1,019,837)	(1,177,688)
Gross profit	**969,013**	**1,092,560**	**1,101,753**	**472,703**	**548,333**	**786,945**	**909,313**
General and administrative expenses	(170,594)	(175,213)	(175,881)	(91,466)	(104,408)	(136,244)	(153,611)
Provision for expected credit losses / Net impairment losses on financial assets	-	(13,823)	(8,568)	-	(7,395)	236	(7,395)
Other income	85,133	4,998	16,172	7,821	2,708	9,373	4,812
Operating profit	**883,552**	**908,522**	**933,476**	**389,058**	**439,238**	**660,310**	**753,119**
Finance income	7,226	4,618	11,633	4,665	11,836	6,572	24,172
Finance costs	(19,767)	(11,878)	(9,127)	(4,604)	(19,360)	(6,698)	(45,249)
Finance income/(costs) – net	(12,541)	(7,260)	2,506	61	(7,524)	(126)	(21,077)
Share of profit of joint venture	124	-	-	-	-	-	-
Net profit for the year / period	**871,135**	**901,262**	**935,982**	**389,119**	**431,714**	**660,184**	**732,042**
Other comprehensive income / (loss) for the year / period	-	2,281	460	1,406	(5,876)	1,125	(3,552)
Total comprehensive income for the year / period	**871,135**	**903,543**	**936,442**	**390,525**	**425,838**	**661,309**	**728,490**
Earnings per share							
Basic and diluted earnings per share**	0.9	0.9	0.9	0.4	0.4	0.7	0.7

**As explained in "Presentation of Financial Information - Compatibility of Financial Information" certain balances for the year ended 31 December 2020 have been extracted from the comparative column in the 2021 Financial Statements to conform with the presentation in the 2021 Financial Statements and hence may not be directly comparable to the financial information included in the 2020 Financial Statements. Whereas the financial information for the year ended 31 December 2019 have been extracted from the 2020 Financial Statements which were not updated to conform with the presentation in the 2021 Financial Statements.*

*** Earnings per share is calculated based on profit attributable to owners of the parent.*

2. Statement of Financial Position Data

	As at 31 December			As at 30 June	As at 30 September
	2019	**2020**	**2021**	**2022**	**2022**
	(AED thousand)				
Total non-current assets	6,223,776	6,789,744	7,774,283	7,784,147	7,774,273
Total current assets	646,595	1,442,849	1,769,433	2,699,395	1,759,131
Total assets	**6,870,371**	**8,232,593**	**9,543,716**	**10,483,542**	**9,533,404**
Total equity	4,273,707	4,794,750	5,430,892	5,356,730	2,759,382
Total non-current liabilities	786,023	1,651,680	1,455,516	1,338,007	4,884,476
Total current liabilities	1,810,641	1,786,163	2,657,308	3,788,805	1,889,546
Total liabilities	**2,596,664**	**3,437,843**	**4,112,824**	**5,126,812**	**6,774,022**
Total equity and liabilities	**6,870,371**	**8,232,593**	**9,543,716**	**10,483,542**	**9,533,404**

3. Statement of Cash Flow Data

	Year ended 31 December			Six months ended 30 June		Nine months ended 30 September	
Cash flows from operating activities	2019	2020	2021	2021	2022	2021	2022
	(AED thousand)						
Profit for the year / period	871,135	901,262	935,982	389,119	431,714	660,184	732,042
Adjustments for:							
Depreciation on property, plant and equipment	255,054	284,960	304,965	148,850	157,091	223,868	230,189
Depreciation on right-of-use assets	6,620	7,017	6,187	3,172	2,320	4,504	3,468
Amortisation of intangible assets	-	-	400	-	6,078	-	9,117
Settlement / Amortisation of financial assets	-	-	739	-	11,232	-	16,847
Impairment reversal of project cost	(80,294)	(53,529)	(32,328)	-	-	-	-
Amortisation of borrowings arrangement fee	1,582	1,510	1,599	754	2,041	1,131	7,781
Share of profit of joint venture	(124)	-	-	-	-	-	-
Gain on disposal of property, plant and equipment	-	-	(27)	(14)	-	(27)	-
Impairment of trade receivables / Net impairment losses on financial assets/ Provision for impairment of trade receivables	351	13,823	8,568	(236)	7,395	(236)	7,395
Provision for employees' end of service benefits	5,748	8,823	5,523	2,595	2,711	3,455	3,682
Interest on lease liability / Liabilities	1,214	1,146	712	385	291	554	425
Interest on financial assets / Interest income earned on financial assets at amortised costs	-	-	(610)	-	(9,251)	-	(13,927)
Finance income	(7,226)	(4,618)	(11,023)	(4,665)	(11,836)	(6,572)	(24,172)
Finance costs net of arrangement fee/ Finance costs	16,971	13,362	20,063	10,125	17,028	5,013	37,043
Government grant income	(2,780)	(2,780)	(2,780)	(1,390)	(1,390)	(2,085)	(2,085)
Operating cash flows before changes in working capital and payment of employees' end of service benefits	**1,068,251**	**1,170,975**	**1,237,970**	**548,695**	**615,424**	**889,789**	**1,007,805**
Changes in working capital:							
Inventories	(4,170)	6,771	8,063	(3,015)	1,556	(735)	(12,967)
Trade and other receivables, net of write-off of receivables to CAPEX suppliers / Trade and other receivables, net of write-off of receivables and advances to CAPEX suppliers / Trade and other receivables	(8,488)	(62,438)	6,022	(57,492)	(129,466)	(105,245)	(191,653)

Due from related parties	5,663	(11,715)	10,853	4,580	(9,353)	(23,136)	(12,953)
Trade and other payables, excluding project-related payables, project accruals and retention payables	(21,069)	(50,236)	37,527	(5,057)	165,003	(2,254)	255,408
Due to related parties, net of dividends declared	(16,676)	(18,895)	67,041	144,337	(33,366)	248,840	41,094
Cash generated from operations	1,023,511	1,034,463	1,367,476	632,048	609,798	1,007,259	1,086,734
Payment of employees' end of service benefits	(834)	(689)	(1,270)	(719)	(296)	(1,144)	(568)
Net cash inflow / generated from operating activities	**1,022,677**	**1,033,774**	**1,366,206**	**631,329**	**609,502**	**1,006,115**	**1,086,166**
Cash flows from investing activities							
Acquisition of subsidiary	-	-	(668,294)	-	-	-	-
Payment for property, plant and equipment, net of project accruals, retention payables and advances to CAPEX suppliers / Payment for property, plant and equipment, net of project accruals, retention payables to CAPEX suppliers/ Purchase of property, plant and equipment, net of project accruals / Purchase of property, plant and equipment, net of project cost accruals,	(676,661)	(775,473)	(571,580)	(315,008)	(220,895)	(435,320)	(365,445)
(Short term deposits (more than three months) invested) / (Short term deposits (more than three months) encashed / (invested)) / Short term deposits (more than three months) redeemed	-	(17,500)	(97,300)	(1,500)	(208,800)	6,000	102,700
Investment in financial assets at fair value through profit and loss	-	-	(100,000)	-	-	-	-
Finance income received	7,226	4,618	11,023	4,665	11,836	6,572	24,172
Investment in financial assets at fair value through other comprehensive income	-	(55,372)	-	-	-	-	-
Gain on disposal of property, plant and equipment	-	-	27	14	-	27	-
Net cash outflow from investing activities	**(669,435)**	**(843,727)**	**(1,426,124)**	**(311,829)**	**(417,859)**	**(422,721)**	**(238,573)**
Cash flows from financing activities							
Proceeds from bank borrowings / Proceeds from bank borrowings net of arrangement fee	488,881	969,645	917,294	-	917,319	-	5,406,211
Repayment of bank borrowings / Repayment of borrowings	(69,789)	(69,789)	(253,047)	(84,349)	-	(84,349)	(2,912,984)
Dividends paid / Dividends paid to shareholders	(470,000)	(330,000)	(400,300)	(400,300)	(500,000)	(400,300)	(3,400,000)
Lease payments	(8,064)	-	-	(3,511)	(2,739)	(5,557)	(4,090)
Lease payment - Principal	-	(7,446)	(6,862)	-	-	-	-
Lease payment - Interest	-	(1,146)	(712)	-	-	-	-
Finance costs paid / Interest paid	(16,971)	(13,362)	(20,063)	(10,510)	(17,028)	(5,013)	(37,043)
Net cash inflow / generated from / (outflow) / (used in) from financing activities	**(75,943)**	**547,902**	**236,310**	**(498,670)**	**397,552**	**(495,219)**	**(947,906)**

Net (decrease) / increase in cash and cash equivalent	**277,299**	**737,949**	**176,392**	**(179,170)**	**589,195**	**88,175**	**(100,313)**
Cash and cash equivalents at the beginning of the year/ period	53,948	331,247	1,069,196	1,069,196	1,245,588	1,069,196	1,245,588
Cash and cash equivalents at the end of the year/ period	**331,247**	**1,069,196**	**1,245,588**	**890,026**	**1,834,783**	**1,157,371**	**1,145,275**

**In the consolidated statement of cash flows for the year ended 31 December 2021 and the 31 December 2020 comparative included in the 2021 Financial Statements, 'finance costs paid' was shown as the gross amount including interest capitalised, whereas in the consolidated statement of cash flows for the year ended 31 December 2020 in the 2020 Financial Statements, 'finance costs paid' was shown as net of interest capitalised., In the above table, and elsewhere in the Prospectus, 'finance costs paid' for the year ended 31 December 2020 are derived from the 2020 comparative column of the consolidated statement of cash flows as included in the 2021 Financial Statements.*

4. Statement of Changes in Equity Data

	Capital	Statutory reserve	Other reserves	Retained earnings	Contributed capital	Total equity	Non-controlling interests	Total
	(AED thousand)							
At 1 January 2019	1,000,000	439,915	-	2,199,571	64,690	3,704,176	1,270	3,705,446
Adjustment from the adoption of IFRS 16	-	-	-	(2,874)	-	(2,874)	-	(2,874)
Adjusted balance as at 1 January 2019	1,000,000	439,915	-	2,196,697	64,690	3,701,302	1,270	3,702,572
Comprehensive income								
Profit for the year	-	-	-	870,602	-	870,602	533	871,135
Transactions with owners								
Transfer to statutory reserve	-	60,085	-	(60,085)	-	-	-	-
Dividends declared	-	-	-	(300,000)	-	(300,000)	-	(300,000)
As at December 2019	**1,000,000**	**500,000**	**-**	**2,707,214**	**64,690**	**4,271,904**	**1,803**	**4,273,707**

	Capital	Statutory reserve	Other reserves	Retained earnings	Contributed capital	Total equity	Non-controlling interests	Total
	(AED thousand)							
At 1 January 2020	**1,000,000**	**500,000**	**-**	**2,707,214**	**64,690**	**4,271,904**	**1,803**	**4,273,707**
Additions during the year /Land contribution	-	-	-	-	17,500	17,500	-	17,500
Profit for the year	-	-	-	900,950	-	900,950	312	901,262
Other comprehensive income for the year	-	-	2,281	-	-	2,281	-	2,281
Dividends declared	-	-	-	(400,000)	-	(400,000)	-	(400,000)
At 31 December 2020	**1,000,000**	**500,000**	**2,281**	**3,208,164**	**82,190**	**4,792,635**	**2,115**	**4,794,750**

	Capital	Statutory reserve	Other reserve	Retained earnings	Contributed capital	Total equity	Non-controlling interests	Total
	(AED thousand)							
At 1 January 2021	1,000,000	500,000	2,281	3,208,164	82,190	4,792,635	2,115	4,794,750
Profit for the year	-	-	-	935,860	-	935,860	122	935,982
Other comprehensive income for the year	-	-	460	-	-	460	-	460
Dividends declared	-	-	-	(300,000)	-	(300,000)	(300)	(300,300)
At 31 December 2021	**1,000,000**	**500,000**	**2,741**	**3,844,024**	**82,190**	**5,428,955**	**1,937**	**5,430,892**

	Capital	Statutory reserve	Other reserve	Retained earnings	Contributed capital	Total equity	Non-controlling interests	Total
	(AED thousand)							
At 1 January 2022	1,000,000	500,000	2,741	3,844,024	82,190	5,428,955	1,937	5,430,892
Profit for the period	-	-	-	431,646	-	431,646	68	431,714
Other comprehensive income for the year	-	-	(5,876)	-	-	(5,876)	-	(5,876)
Dividend declared	-	-	-	(500,000)	-	(500,000)	-	(500,000)
At 30 June 2022	1,000,000	500,000	(3,135)	3,775,670	82,190	5,354,725	2,005	5,356,730

	Capital	Statutory reserve	Other reserve	Retained earnings	Contributed capital	Total equity	Non-controlling interests	Total
	(AED thousand)							
At 1 January 2022	1,000,000	500,000	2,741	3,844,024	82,190	5,428,955	1,937	5,430,892
Profit for the period	-	-	-	731,960	-	731,960	82	732,042
Other comprehensive income for the year	-	-	(3,552)	-	-	(3,552)	-	(3,552)
Dividend declared	-	-	-	(3,400,000)	-	(3,400,000)	-	(3,400,000)
At 30 September 2022	**1,000,000**	**500,000**	**(811)**	**1,175,984**	**82,190**	**2,757,363**	**2,019**	**2,759,382**

5. Other Financial Information

EBIDTA and Adjusted EBITDA

The following table sets forth the Group's EBIDTA and Adjusted EBITDA for the years ended 31 December 2019, 2020, and 2021 and for the six months ended 30 June 2021 and 2022.

	Years ended 31 December			Six months ended 30 June	
	2019	2020	2021	2021	2022
	(AED thousand)				
EBITDA	1,145,349	1,200,499	1,245,028	541,081	604,727
Impairment reversal of project cost*	(80,294)	(53,529)	(32,328)	-	-
Other income*					
Government grant and others	(4,839)	(4,998)	(16,172)	(7,821)	(2,708)
Share of profit of joint venture	(124)	-	-	-	
Provision for expected credit loss / net impairment losses on financial assets / impairment charges on trade receivables	351	13,823	8,568	-	7,395
Interest earned on Financial Asset	-	-	-	-	(9,251)
Adjusted EBITDA	1,060,443	1,155,795	1,205,096	533,260	600,163

*As explained in "Presentation of Financial Information - Compatibility of Financial Information" certain balances for the year ended 31 December 2020 have been extracted from the comparative column in the 2021 Financial Statements to conform with the presentation in the 2021 Financial Statements and hence may not be directly comparable to the financial information included in the 2020 Financial Statements. Whereas the financial information for the year ended 31 December 2019 have been extracted from the 2020 Financial Statements which were not updated to conform with the presentation in the 2021 Financial Statements. The reconciliation of Adjusted EBIT has presented the 2019 information on the same basis as that presented in the 2020 Financial Statements to assist comparability. In the 2019 Financial Statements, there was no impairment reversal of project cost separately presented, which were reported in the 2019 Financial Statements as Other Income, with Other Income totalling AED 85.1 million.

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Independent auditor's report to the shareholders of Emirates Central Cooling Systems Corporation

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects the consolidated financial position of Emirates Central Cooling Systems Corporation ("the Corporation") and its subsidiaries (together "the Group") as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2020;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards 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.

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Independent auditor's report to the shareholders of Emirates Central Cooling Systems Corporation (continued)

Responsibilities of management and those charged with governance for the consolidated financial statements (continued)

In preparing the consolidated financial statements, 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.

Those charged with governance 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 scepticism 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.
- 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.

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Independent auditor's report to the shareholders of Emirates Central Cooling Systems Corporation (continued)

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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

PricewaterhouseCoopers
United Arab Emirates
19 January 2021

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Independent auditor's report to the shareholders of Emirates Central Cooling Systems Corporation

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects the consolidated financial position of Emirates Central Cooling Systems Corporation ("the Corporation") and its subsidiaries (together "the Group") as at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2021;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards 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.

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Independent auditor's report to the shareholders of Emirates Central Cooling Systems Corporation (continued)

Responsibilities of management and those charged with governance for the consolidated financial statements (continued)

In preparing the consolidated financial statements, 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.

Those charged with governance 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 scepticism 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.
- 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.

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Independent auditor's report to the shareholders of Emirates Central Cooling Systems Corporation (continued)

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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

PricewaterhouseCoopers
United Arab Emirates
5 April 2022

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Review report on interim condensed consolidated financial statements to the board of directors of Emirates Central Cooling Systems Corporation

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Emirates Central Cooling Systems Corporation ("the Corporation") and its subsidiaries (together, "the Group") as at 30 June 2022 and the related interim condensed consolidated statement of comprehensive income for the three-month and six-month periods then ended and the interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard (IAS) 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

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

Conclusion

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

Emphasis of Matter

The interim condensed consolidated financial statements are prepared by the management in connection with the listing of the Corporation on the Dubai Financial Market in the United Arab Emirates. As a result, the interim condensed consolidated financial statements may not be suitable for another purpose. Our conclusion is not modified in respect of this matter.

Other matter

The comparative information for the interim condensed consolidated statement of comprehensive income for the three-month period ended 30 June 2021 has not been audited or reviewed. The comparative information for the interim condensed consolidated statement of financial position is based on the audited financial statements as at 31 December 2021.

PricewaterhouseCoopers
Dubai, United Arab Emirates
16 September 2022

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Review report on interim condensed consolidated financial statements to the board of directors of Emirates Central Cooling Systems Corporation

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Emirates Central Cooling Systems Corporation ("the Corporation") and its subsidiaries (together, "the Group") as at 30 September 2022 and the related interim condensed consolidated statements of comprehensive income for the three-month and nine-month periods then ended and the interim condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard (IAS) 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

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

Conclusion

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

Emphasis of matter

The interim condensed consolidated financial statements are prepared by the management in connection with the listing of the Corporation on the Dubai Financial Market in the United Arab Emirates. As a result, the interim condensed consolidated financial statements may not be suitable for another purpose. Our conclusion is not modified in respect of this matter.

Other matter

The comparative information for the interim condensed consolidated statement of comprehensive income for the three-month and nine-month periods ended 30 September 2021, interim condensed consolidated statements of changes in equity and cash flows, and other explanatory notes for the nine-month period ended 30 September 2021 has not been audited or reviewed. The comparative information for the interim condensed consolidated statement of financial position is based on the audited financial statements as at 31 December 2021.

PricewaterhouseCoopers
Dubai, United Arab Emirates
14 October 2022

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