

This is a non-certified translation of the original Arabic version of the Prospectus. This English version is provided for convenience only and does not constitute a legal document. Subscribers should only rely on the Arabic version of the Prospectus. In the case of any discrepancies or omissions, the Arabic version of the Prospectus shall prevail.

OFFER TO SUBSCRIBE FOR SHARES IN A PUBLIC SUBSCRIPTION IN THE UAE ONLY

**Prospectus for the Public Offering of Shares in Emirates Central Cooling Systems Corporation PJSC
(the “Company” or “Empower”)**

(Incorporated in the United Arab Emirates as a Public Joint Stock Company)



Dated: 24 October 2022

This is the prospectus (the “**Prospectus**”) for the sale 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 the share capital of the Company, with an amount of 1,000,000,000 (one billion) UAE dirhams (the “**Offer Shares**”) in a public subscription in the United Arab Emirates (the “**UAE**”). The Selling Shareholders (as defined in the Prospectus) 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 (the “**SCA**”). The offer price will be in AED and determined based on the offer price range, which will be announced in a listing announcement that will be published on the same day and before opening of the Offer Period on 31 October 2022 (the “**Offer Price Range**”). The Offer Shares will be duly and validly issued as at the date of listing (the “**Listing**”) of the Offer Shares on the Dubai Financial Market (the “**DFM**”).

The final offer price (the “Final Offer Price”) and the final offering size (the “Final Offer Size”) will be announced after the closing of the subscription of the Second Tranche. Please refer to the section on the Final Offer Price in the first section of this Prospectus which sets out a description of how the Final Offer Price will be calculated.

Except in the UAE, no action has been taken or will be taken in any jurisdiction that would permit a public subscription of the Offer Shares pursuant to this Prospectus or the possession, circulation, or distribution of this Prospectus. Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, nor may this Prospectus or any other offering material or advertisement or other document or information in connection with the Offer Shares be distributed or published, in or from any jurisdiction except in compliance with any applicable rules and regulations of any such jurisdiction.

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

Offer Period

The offer period for the First Tranche and the Second Tranche (as described in this Prospectus) is expected to start on 31 October 2022 and close on 7 November 2022 for the First Tranche and on 8 November 2022 for the Second Tranche.

This is the initial public offering ("**Offering**"), including the offer to the Emirates Investment Authority ("**EIA**") and the offer to the Pensions and Social Security Fund of Local Military Personnel in the Emirate of Dubai ("**Fund**"), of 1,000,000,000 (one billion) Offer Shares in the share capital of the Company amounting to AED 1,000,000,000 (one billion), a public joint stock company ("**PJSC**") incorporated in the UAE, which is being offered for sale by the Selling Shareholders in a public offering whereby the 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.

If all of the Offer Shares are subscribed for and allocated, and there is no increase in the number of 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**"), and 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 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.

Date of the SCA's approval of this Prospectus: **21 October 2022**

This Prospectus contains data that has been submitted in accordance with the rules for issuance and disclosure issued by the SCA in the United Arab Emirates and this Prospectus has been approved by the **SCA on 21 October 2022**. However, the SCA's approval of this Prospectus does not constitute an endorsement of the feasibility of investment nor a recommendation to subscribe to the Offer Shares; the approval only means that this Prospectus contains the minimum information required in accordance with the applicable rules issued by the SCA with respect to prospectuses. The SCA is not considered responsible for the accuracy, completeness or adequacy of the information contained in this Prospectus and the SCA does not bear any responsibility for any damages or losses incurred by any person as a result of relying on this 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 this 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 this Prospectus that renders any statement contained therein misleading to the subscribers or which may influence their decision to invest.

Method of sale of the Offer Shares in a public subscription:

The Offer Shares represent 1,000,000,000 (one billion) Shares with a nominal value of 0.10 UAE dirhams (10 fils) for each share of the total issued shares in the Company's share capital amounting to AED 1,000,000,000 (1 billion) which will be sold by the Selling Shareholders and offered for subscription in a public offering whereby the 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 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 the applicable laws and the SCA's approval.

In creating the subscription orders ledger, the Offer Shares subscribed by the Professional Investors will constitute all of the Offer Shares used in calculating the Final Offer Price of each Offer Share. In order for the subscription to succeed, the subscription percentage of the Professional Investors must not be less than 60%, and the subscription percentage of First Tranche Subscribers must not be more than 40% of the Offer Shares.

If the First Tranche is not subscribed to in full, the remaining Offer Shares will be allocated to the Second Tranche. The Receiving Banks commit to refund the oversubscription amounts received from the First Tranche Subscribers for the Offer Shares and any earned profit on such amounts within five working days from the date on which all allocations of Offer Shares to all tranches are determined.

The Founders may not, whether directly or indirectly or through any of their respective subsidiaries, subscribe for any of the Offer Shares.

Book Building Mechanism

Book building is a mechanism, pursuant to which the price is set prior to the issuance of the shares or prior to the offering.

The book building process comprises these steps:

1. The Company hires one or more investment banks to act as lead manager(s) who are licensed by SCA to carry out on behalf of the Company the management of the Offering, and to provide advice related to the Offering, and to coordinate with SCA and the Offering Participants and to assist the Company in determining the price range at which the security can be sold and drafting a prospectus to send out to the investors.
2. The appointed joint lead managers invite certain qualified investors, normally, but not restricted to, large-scale sophisticated buyers and fund managers, to submit bids on the number of shares that they are interested in buying and the prices that they would be willing to pay for such shares and recording the qualified investors' opinions in the register specifically for recording the subscription orders for the shares offered.
3. The book is 'built' by listing and evaluating the aggregated demand for the issue from the submitted bids. The appointed lead managers analyze the information and based on that analysis, determine with the Company and its Selling Shareholders, the final price for the shares, which is termed the final offer price.
4. Shares for submitted bids pertaining to the Second Tranche, are then allocated among the accepted bidders, at the discretion of the Company and its Selling Shareholders.

A list of further definitions and abbreviations is provided in the *"Definitions and Abbreviations"* Section of this Prospectus.

Tranche Structure

A. First Tranche

The First Tranche offer will be made pursuant to this Prospectus is 10% (ten per cent) of the Offer Shares, representing 100,000,000 (one hundred million) Shares, are allocated to the First Tranche. The First Tranche is restricted to the following persons:

- ***Individual Subscribers***

Natural persons (including natural persons constituting Assessed Professional Investors) who do not participate in the Second Tranche and who have a bank account (except for any person who is resident in the United States within the meaning of the US Securities Act 1933, as amended (the **"US Securities Act"**)). There are no other citizenship or residence requirements to qualify as an Individual Subscriber.

Minors are permitted to apply for Offer Shares in accordance with the procedures applied by the Receiving Banks and the laws in force in this regard.

- ***Other investors***

Other investors (companies and establishments) who do not participate in the Second Tranche, that have a bank account (except for any person who is resident in the United States within the meaning of the US Securities Act).

All First Tranche Subscribers must hold NIN.

If all of the Offer Shares in the First Tranche are not fully subscribed, the unsubscribed Offer Shares will be made available to Professional Investors, or alternatively (in consultation with the Authority) the Selling Shareholders may (i) extend the Closing Date for the First Tranche and the Second Tranche and/or (ii) close the Offering at the level of applications received.

The Selling Shareholders reserve the right to amend the size of the First Tranche at any time prior to the end of the subscription period at their sole discretion, subject to the approval of the SCA. Any increase in the size of the First Tranche will result in a corresponding reduction in the size of the Second Tranche (as applicable), provided that the subscription percentage of the subscribers in the Second Tranche does not fall below 60% of the Offer Shares and the subscription percentage of the subscribers in the First Tranche does not exceed 40% of the Offer Shares.

The minimum application size for subscribers in the First Tranche is AED 5,000 (five thousand UAE dirhams) with any additional application in increments of at least AED 1,000 (one thousand UAE dirhams).

There is no maximum application size for subscribers in the First Tranche.

B. Second Tranche

90% (ninety per cent) of the Offer Shares, amounting to **900,000,000 (nine hundred million)** Shares are allocated to the Second Tranche, which is restricted to “Professional Investors” (as defined in the SCA Board of Directors’ Chairman Decision No.13/R.M of 2021 (as amended from time to time)), which specifically include those investors which can be categorized in the following manner:

i. “Deemed Professional Investors” which include:

- a. international corporations and organisations whose members are state, central banks or national monetary authorities;
- b. governments, government institutions, their investment and non-investment bodies and companies wholly owned by them;
- c. central banks or national monetary authorities in any country, state or legal authority;
- d. capital market institutions licensed by the SCA or regulated by a supervisory authority equivalent to the SCA;
- e. financial institutions;
- f. regulated financial institutions, local or foreign mutual investment funds, regulated pension fund management companies and regulated pension funds;
- g. any entity whose main activity represents investment in financial instruments, asset securitisation or financial transactions;
- h. any company whose shares are listed or accepted to trade in any market of an IOSCO member country;
- i. a trustee of a trust which has, during the past 12 months, assets of AED 35,000,000 or more;
- j. licensed family offices with assets of AED 15,000,000 or more;
- k. joint ventures and associations which have or had, at any time during the past two years, net assets of AED 25,000,000 or more (excluding partner and shareholder loans);
- l. a body corporate who fulfils (on the date of its last financial statements) a “large undertaking” test, whereby it fulfils at least two of the following requirements:
 - I. holds total assets of AED 75,000,000 or more (excluding short-term liabilities and long-term liabilities);

- II. has a net annual revenue of AED 150,000,000 or more; or
 - III. an aggregate total of cash and investments on its balance sheet; or its total equity (after deducting paid up share capital), is not less than AED 7,000,000.
- ii. **"Assessed Professional Investors"** which include:
- (A) **a natural person who owns net assets, excluding the value of their main residence, of not less than AED 4,000,000 (a "HNWI");**
 - (B) **a natural person who is:**
 - (I) approved by the SCA or a similar supervisory authority;
 - (II) an employee of a licensed entity or a regulated financial institution who has been employed for the past two years;
 - (III) assessed to have sufficient knowledge and experience in respect of the relevant investments and their risks (following a suitability assessment); or
 - (IV) represented by an entity licensed by the SCA;
 - (C) **a natural person (the "account participant") with a joint account for investment management with a HNWI (the "main account holder"), provided that each of the following conditions are satisfied:**
 - (I) the account participant must be an immediate or second degree relative of the main account holder;
 - (II) the account is used to manage the investments of the main account holder and their subscribers; and
 - (III) written confirmation is obtained from the subscriber (i.e. the account participant) confirming that investment decisions relating to the joint investment account are made on their behalf by the main account holder;
 - (D) **special purpose vehicles and trusts established for the purpose of managing an investment portfolio of assets for a HNWI; and**
 - (E) **an undertaking which satisfies the following requirements:**
 - (I) an aggregate total of cash and investments on its balance sheet; or its total equity (after deducting paid up share capital), is not less than AED 4,000,000.
 - (II) is assessed to have sufficient knowledge and experience in respect of the relevant investments and their risks (following a suitability assessment); or
 - (III) it has a controller (e.g., a person controlling the majority of the shares or voting rights in the relevant undertaking or possesses the ability to appoint or remove the majority of the relevant undertaking's board of directors),
 - (IV) a holding or subsidiary company or
 - (V) a joint venture partner that meets the definition of a Deemed Professional Investor or an Assessed Professional Investor.

who, in each case, have been approved by the Company and the Founders, in consultation with the Joint Lead Managers and to which the following characteristics apply: (a) a person outside the United States to whom an offer can be made in reliance on Regulation S under the US Securities Act, (b) a person in the DIFC to whom an offer can be made pursuant to an exemption from registration under the Market Rules Module of the DFSA's Rulebook, or (c) a person in the ADGM to whom an offer can be made pursuant to an exemption from registration under the FSMR Regulations Markets Rules and made only to persons who meet the Professional Client criteria set out in the ADGM Financial Services Regulatory Authority ("FSRA") Conduct of Business Rulebook.

All Professional Investors must hold an NIN with the DFM.

If all of the Offer Shares in the Second Tranche are not fully subscribed, then the Offering will be withdrawn.

The Selling Shareholders reserve the right to amend the size of the Second Tranche at any time prior to the end of the subscription period at their sole discretion, subject to the applicable laws of the UAE and the approval of the SCA, provided that the subscription percentage of the subscribers in the Second Tranche does not fall below 60% of the Offer Shares and the subscription percentage of the subscribers in the First Tranche does not exceed 40% of the Offer Shares.

The minimum application size for Professional Investors is AED 5,000,000 (five million UAE dirhams).

There is no maximum application size for Professional Investors.

C. EIA

A number of Offer Shares, representing 5% of Offer Shares, deducted from the Second Tranche,, are reserved for the Emirates Investment Authority, in accordance with the requirements of article 127 of Federal Decree by Law No. 32 for the year 2021 with regard to commercial companies, and its amendments (the “**Companies Law**”). Offer Shares allocated to the EIA under this preferential rights regime will be deducted from the total size of the Second Tranche. If the EIA does not exercise its preferential rights to apply for Offer Shares, then those Offer Shares will be available to other Second Tranche (Professional Investors)

D. Pensions and Social Security Fund of Local Military Personnel

A number of Offer Shares, representing 5% of Offer, deducted from the Second Tranche, , are reserved for the Fund, in accordance with the requirements of Resolution No. 2 of 2022 issued by the Supreme Fiscal Committee concerning the subscription in shares of companies owned by the Government of Dubai. Offer Shares allocated to the Fund under this preferential rights regime will be deducted from the total size of the Second Tranche. If the Fund does not exercise its preferential rights to apply for Offer Shares then those Offer Shares will be available to other Second Tranche(Professional Investors).

Every Subscriber must hold a NIN with DFM and a bank account number in order to be eligible to apply for Offer Shares. Subscribers may apply for Offer Shares in only one tranche. In the event a person applies in more than one tranche, the Lead Receiving Bank, the Receiving Banks and the Joint Lead Managers may disregard one or both of such applications.

The approval of the Authority has been obtained for publication of this Prospectus for the sale of the Offer Shares in a public subscription in the UAE (outside the ADGM and the DIFC). The Shares have not been registered with any other regulatory authority in any other jurisdiction.

The publication of the Arabic version of this Prospectus has been approved by the Authority in accordance with the provisions of the Companies Law.

A copy of the offering document for the Second Tranche (in English only), referred to as the “**Second Tranche Document**”, which was not sighted or endorsed by the Authority, will be available at www.empower.ae/ipo. No information contained in, or referred to in, the Second Tranche Document, forms part of, or is incorporated into, this Prospectus.

This Prospectus was issued on 24 October 2022.

This Prospectus is available on the website of the Company at www.empower.ae/ipo

Name and Contact Details of the Offer Participants

Joint Lead Managers

Emirates NBD Capital PSC	EFG Hermes UAE LLC
1st Floor, Emirates NBD Head Office Building	Office 106, The Offices 3
Baniyas Road, Deira, P.O. Box 2336	One Central, DWTC Dubai, United Arab Emirates
Dubai, United Arab Emirates	Telephone: +971 4 363 4000
Telephone: +97143634000	

Lead Receiving Bank

Emirates NBD Bank PJSC

Emirates NBD Bank
Headquarters
Baniyas Road, Deira
P.O. Box 777
Dubai
United Arab Emirates

Receiving Banks

As per the list of banks attached in Annex 3 to this Prospectus

IPO Subscription Legal Counsel

Legal advisor to the Company as to English and US law	Legal advisor to the Company as to UAE law
White & Case LLP	IBRAHIM & PARTNERS
6th Floor, Burj Daman Al Mustaqbal St.,	Al Sila Tower, Floor 24
Dubai International Financial Centre	ADGM Square,
P.O. Box 9705	Phone number: +(971) 2694668
Dubai, United Arab Emirates	E-mail address: info@inp.legal
	PO Box 5100746, Abu Dhabi, UAE

Legal advisor to the Joint Bookrunners as to UAE, US law and English law

Allen & Overy LLP

Level 11, Burj Daman, Al Mustaqbal St,
Dubai International Financial Centre,
Dubai, United Arab Emirates

Auditors to the Company

PricewaterhouseCoopers (Dubai Branch)

Building 5, Emaar Square

P.O. Box 11987

Dubai, UAE

IPO Subscription Auditor

Deloitte & Touche (M.E.)

Emaar Square Building 3

Downtown Dubai

P.O. Box 4254

Dubai, UAE

Investor Relations Officer

Chander Bherumal

Tel.: +04-3758844

E-mail address: investor.relations@empower.ae

Dubai, United Arab Emirates

This Prospectus is dated 24 October 2022

IMPORTANT NOTICE

(To be carefully read by all Subscribers)

- This Prospectus is intended to provide potential Subscribers with information to assist in deciding whether or not to apply for Offer Shares. Potential Subscribers should read this document in its entirety, and carefully review, examine and consider all data and information contained in it, before deciding whether or not to apply for Offer Shares (and, in particular, Section 9 (“**Investment Risks**”)), as well as the Articles of Association of the Company, when considering making an investment in the Company.
- In making an investment decision, each potential Subscriber must rely on its own examination, analysis and enquiry of the Company and the terms of the Offering, including the merits and risks involved and obtain any necessary advice from his or her legal and financial advisors regarding the investment. An investment in Offer Shares entails considerable risks. Potential Subscribers should not apply for Offer Shares unless they are able to bear the loss of some or all of that investment.
- Recipients of this Prospectus are authorized solely to use this Prospectus for the purpose of considering the subscription in the Offer Shares, and may not reproduce or distribute this Prospectus, in whole or in part, and may not use any information herein for any purpose other than considering whether or not to apply for Offer Shares under the First Tranche. Recipients of this Prospectus agree to the foregoing by accepting delivery of this Prospectus.
- The contents of this Prospectus should not be construed as legal, financial or tax advice.
- The information contained in this Prospectus shall not be subject to revision or addition without securing the approval of the Authority and informing the public of such revision or addition by publication in two daily newspapers in accordance with the rules issued by the Authority. The Selling Shareholders reserve the right to cancel the Offering at any time and at their sole discretion with the prior written approval of the Authority.
- The Offer Shares are being offered under this Prospectus for the purpose of subscription in the UAE only. This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the Offer Shares or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, Offer Shares by any person in any jurisdiction outside of the UAE (including the ADGM and the DIFC).
- This Prospectus is not being published or distributed, and must not be forwarded or transmitted, in or into or to any jurisdiction outside the UAE (including the ADGM and the DIFC). The Offer Shares have not been registered with any regulatory authority in any jurisdiction other than the Authority.
- If the Offer Shares are offered in another jurisdiction, the Offer Shares shall be offered in a manner that is compliant with the applicable laws and rules and acceptable to the relevant authorities in the relevant jurisdiction.
- This Prospectus is not intended to constitute a financial promotion, offer, sale or delivery of shares or other securities under the ADGM Financial Services Regulatory Authority (“**FSRA**”) Markets Rules or the DIFC Markets Law or under the DIFC Markets Rules.
- The Offering has not been approved or licensed by the FSRA or DFSA and does not constitute an offer of securities in the ADGM in accordance with the FSRA Markets Rules or in the DIFC in accordance with the DIFC Markets Law or the DIFC Markets Rules.
- The publication of this Prospectus has been approved by the Authority. The Authority’s approval of the publication of this Prospectus shall neither be deemed as an endorsement or approval of the subscription feasibility nor a recommendation of investment, but it means only

that the minimum requirements according to the issuance rules and information disclosure applicable to the Prospectus and issued by the Authority have been met. The Authority and the DFM shall not be held liable for the accuracy, completeness or sufficiency of the information contained in this Prospectus, nor shall they be held liable for any damage or loss suffered by any person due to reliance upon this Prospectus or any part thereof.

This Prospectus was approved on 21 October 2022.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Historical financial information

The historical Financial Statements included in this Prospectus are:

- the audited consolidated financial statements of Emirates Central Cooling Systems Corporation and its subsidiaries (the **“Group”**) as of and for the year ended 31 December 2020, which includes the comparative financial information as of and for the year ended 31 December 2019, and the related notes thereto (the **“2020 Financial Statements”**);
- the audited consolidated financial statements of the Group as of and for the year ended 31 December 2021, which includes the comparative financial information as of and for the year ended 31 December 2020, and the related notes thereto (the **“2021 Financial Statements” and together with the 2020 Financial Statements the “Annual Financial Statements”**);
- the unaudited interim condensed consolidated financial statements of the Group as of and for the three and six months ended 30 June 2022 (including the comparative financial information for the three months (unaudited and not reviewed) and six months (unaudited) ended 30 June 2021) and the related notes thereto (the **“H1 2022 Interim Financial Statements”**) and;
- the unaudited interim condensed consolidated financial statements of the Group as of and for the three and nine months ended 30 September 2022 (including the unaudited and not reviewed comparative financial information for the three and nine months ended 30 September 2021) and the related notes thereto (the **“Q3 2022 Interim Financial Statements” and together with the H1 2022 Interim Financial Statements the “Interim Financial Statements”**).

The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards (**“IFRS”**) as issued by the International Accounting Standards Board and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The Annual Financial Statements have been audited by PricewaterhouseCoopers (Dubai Branch) (**“PwC”**) in accordance with International Standards on Auditing (**“ISAs”**) as stated in their independent auditor’s reports, included herein.

The Interim Financial Statements have been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting” (“IAS 34”). The Interim Financial Statements have been reviewed by PwC in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” as stated in their review reports included herein. Except as described below, or indicated otherwise in the Prospectus, (i) the financial information of the Group in this Prospectus as at and for the nine months ended 30 September 2022 and 30 September 2021, has been extracted from the Q3 2022 Interim Financial Statements; (ii) the financial information of the Group in this Prospectus as at and for the six months ended 30 June 2022 and 30 June 2021, has been extracted from the H1 2022 Interim Financial Statements; (iii) the financial information of the Group in this Prospectus as at and for the year ended 31 December 2021 has been extracted from the 2021 Financial Statements; and (vi) the financial information of the Group in this Prospectus as at and for the years ended 31 December 2020 and 2019 has been extracted from the 2020 Financial Statements.

Comparability of Financial Information

Certain financial information as at and for the year 31 December 2020 has been reclassified in 2021 to conform to the presentation followed in the 2021 Financial Statements and hence differ from those included in the 2020 Financial Statements. These reclassifications are explained below:

- ‘Impairment charges on trade receivables’ were presented as part of ‘general and administrative expenses’ in the consolidated statement of comprehensive income for the year ended 31 December 2020 but has been re-presented as a separate line item ‘Net impairment losses on financial assets’ in the consolidated statement of comprehensive income for the year ended 31

December 2021;

- Short term deposits with a maturity of more than 3 months were presented as part of cash and cash equivalents in the consolidated statement of financial position as at 31 December 2020 but have been re-presented as a separate line item - 'term deposits' in the consolidated statement of financial position as at 31 December 2021;
- Retentions payable was presented as part of trade and other payables in the consolidated statement of financial position as of 31 December 2020 but have been re-presented as a separate line item in the consolidated statement of financial position as at 31 December 2021; and
- Impairment reversal of project costs was presented as part of other income in the consolidated statement of comprehensive income for the year ended 31 December 2020 but has been re-presented as a separate line item in the consolidated statement of comprehensive income for the year ended 31 December 2021.

Other than the above reclassified line items which are extracted or derived from the 2021 Financial Statements, all other financial information relating to the year ended 31 December 2020 included elsewhere in this Prospectus has been extracted or derived from the 2020 Financial Statements.

However, the financial information for the year ended 31 December 2019 has been extracted from the 2020 Financial Statements which were not updated to conform with the presentation used in the 2021 Financial Statements, and hence may not be directly comparable to the 2021 and 2020 comparative financial information included in the 2021 Financial Statements.

The Group's financial year ends on 31 December of each year.

References to any financial year refer to the year ended 31 December of the calendar year specified.

Non-IFRS measures

Non-IFRS measures are of certain financial measures that are not defined or recognized under IFRS, or any generally acceptable accounting principles, including EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Net Debt, and Capital Expenditure. These non-IFRS measures are derived from the financial information included in the Company's Financial Statements. See "*Definitions and Abbreviations*" and "Third Section: *Financial Disclosures*" for additional information.

Currency presentation

Unless otherwise indicated, all references in this document to:

- The "UAE dirham" or "AED" are to the lawful currency of the United Arab Emirates; and
- The "US dollar" or "USD" are to the lawful currency of the United States of America.

The value of UAE dirhams has been pegged to US dollar at a rate of AED 3.6725 per USD 1 since 1997. All AED/USD conversions in this Prospectus have been calculated at this rate.

Rounding

Certain data in this document, including financial, statistical, and operating information, has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data. Percentages in tables have been rounded and accordingly may not add up to 100%.

FORWARD-LOOKING STATEMENTS

This document includes forward-looking statements. The forward-looking statements contained in this document speak only as of the date of this Prospectus. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the control of the Company and all of which are based on current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as “believe”, “expects”, “may”, “will”, “could”, “should”, “shall”, “risk”, “intends”, “estimates”, “aims”, “plans”, “predicts”, “continues”, “assumes”, “positioned” or “anticipates” or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding intentions, beliefs and current expectations concerning, among other things, results of operations, financial condition, liquidity, prospects, growth, strategies, and dividend policy and the industry in which the Company operates.

These forward-looking statements and other statements contained in this Prospectus regarding matters that are not historical facts as of the date of this Prospectus involve predictions. No assurance can be given that such future results will be achieved. There is no obligation or undertaking to update these forward-looking statements contained in this document to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so: (i) as a result of an important change with respect to a material point in this Prospectus; or (ii) by the applicable laws of the UAE. Actual events or results may differ materially as a result of risks and uncertainties that the Company faces. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed, or implied in such forward-looking statements. Please refer to Section 9 (“**Investment Risks**”) for further information.

IMPORTANT INFORMATION

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances in which such offer or solicitation is unlawful.

Recipients of this Prospectus are authorized solely to use this Prospectus for the purpose of considering making an investment in the Offer Shares, and may not reproduce or distribute this Prospectus, in whole or in part, and may not use any information herein for any purpose other than considering an investment in the Offer Shares. Such recipients of this Prospectus agree to the foregoing by accepting delivery of this Prospectus. Prior to making any decision as to whether to invest in the Offer Shares, prospective Subscribers should read this Prospectus in its entirety (and, in particular, the section headed "Investment Risks") as well as the Articles of Association of the Company. In making an investment decision, each Subscriber must rely on their own examination, analysis and enquiry of the Company and the terms of the Offering, including the merits and risks involved.

No person is authorized to give any information or to make any representation or warranty in connection with the Offering or Offer Shares which is not contained in this Prospectus and, if given or made, such information or representation must not be relied on as having been so authorized by the Company, the Selling Shareholders, or the other Offer Participants. By applying for Offer Shares under the First Tranche, a Subscriber acknowledges that (i) they have relied only on the information in this Prospectus and (ii) no other information has been authorized by the Company, the Selling Shareholders, any other Offer Participant, the Joint Bookrunners or any other of the Company's or the Selling Shareholders' advisors (the "**Advisors**").

No person or Advisor, except the Joint Lead Managers and the Receiving Banks, as set out in page 9, are participating in, or managing, the public offering of the Offer Shares. All the Offering proceeds shall ultimately be deposited with The Lead Receiving Bank including the proceeds of the First Tranche and the Second Tranche and that the Lead Receiving Bank shall issue a certificate to that effect addressed to SCA..

Neither the content of the Company's website or any other website, nor the content of any website accessible from hyperlinks on any of such websites, forms part of, or is incorporated into, this Prospectus, and neither the Company, the Selling Shareholders, any other Offer Participants, nor the Advisors bears or accepts any responsibility for the contents of such websites.

None of the Company, the Selling Shareholders, the Offer Participants, the Joint Lead Managers, the Joint Bookrunners or the Advisors accepts any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding the Company, the Offering or the Offer Shares. None of the Company, the Selling Shareholders, the Offer Participants, the Joint Lead Managers, the Joint Bookrunners or the Advisors makes any representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication provided by those parties.

None of the Company, the Selling Shareholders, the Offer Participants, the Joint Lead Managers, the Joint Bookrunners or the Advisors warrant or guarantee the future performance of the Company, or any return on any investment made pursuant to this Prospectus.

Statements contained in this Prospectus are made as at the date of this Prospectus unless some prior time is specified in relation to them and the publication of this Prospectus (or any action taken pursuant to it) must not be interpreted as giving rise to any implication that there has been no change in the condition, facts or affairs of the Company since such date.

This Prospectus may be subject to revision, with the prior written approval of the Authority. Any revision will become effective only after it has been announced in two daily newspapers circulating in the UAE. The Selling Shareholders reserve the right, with the prior approval of the Authority, to withdraw this Prospectus and cancel the Offering at any time and in their sole discretion. If the Offering is withdrawn,

the subscription amounts will be fully refunded to the Subscribers, along with any earned profits. Neither the delivery of this Prospectus nor any sale made under it may, under any circumstances, be taken to imply that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as of any subsequent time.

Emirates NBD Capital PSC, and EFG Hermes UAE LLC have been appointed as joint lead managers (the “**Joint Lead Managers**”), each of whom is licensed by SCA on 10 October 2018 and 5 November 2017 respectively and will manage the issuance, marketing and promotion of the Offer Shares in the UAE and coordinate with the Company, the Selling Shareholders, the Authority and the other Offering participants with regard to the offering of the Offer Shares in the UAE. Emirates NBD Bank PJSC has also been appointed as lead receiving bank (the “**Lead Receiving Bank**”) and, in its capacity as such, is responsible for receiving the subscription amounts set out in this Prospectus in accordance with the rules and laws applicable in and within the UAE under the First Tranche and the Second Tranche

The Joint Lead Managers are acting exclusively for the Company and the Selling Shareholders and no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this document) as a client to any of the Offer Participants in relation to the Offering.

The Joint Lead Managers, the Joint Bookrunners, and the Offer Participants may have engaged (directly or through their respective affiliates) in transactions with, and provided various investment banking, financial advisory and other services for, the Company and the Selling Shareholders for which they would have received customary fees. Any previous transactions between the Joint Lead Managers, the Joint Bookrunners and the Offer Participants and the Company or the Selling Shareholders do not constitute any conflict with the subscription process or any interest between them.

The board members of the Company whose names are set out in this Prospectus assume joint and several responsibilities for the completeness, accuracy and verification of the contents of this Prospectus. They declare that they have carried out appropriate due diligence investigations, that the information contained in this Prospectus is, at the date hereof, factually accurate, complete and correct and that there is no omission of any information that would make any statement in this Prospectus materially misleading.

This Prospectus contains data submitted according to the issuance and disclosure rules issued by the Authority.

In making an investment decision, each potential Subscriber must rely on its own examination and analysis having reviewed the information contained in this Prospectus (in its entirety).

No action has been taken or will be taken in any jurisdiction other than the UAE that would permit a public subscription or sale of the Offer Shares or the possession, circulation or distribution of this Prospectus, or any other material relating to the Company or the Offer Shares, in any country or jurisdiction where action for that purpose is required. Offer Shares may not be offered or sold, directly or indirectly, nor may this Prospectus or any other offer material or advertisement or other document or information in connection with the Offer Shares be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this Prospectus comes must inform themselves of and observe all such restrictions.

None of the Company, the Selling Shareholders, any of the Offer Participants, the Joint Lead Managers, the Joint Bookrunners or the Advisors accepts any responsibility for any violation of any such restrictions on the sale, offer to sell or solicitation to purchase Offer Shares by any person, whether or not a prospective purchaser of Offer Shares in any jurisdiction outside the UAE (including the ADGM and the DIFC), and whether such offer or solicitation was made orally or in writing, including electronic mail. None of the Company, the Selling Shareholders, the other Offer Participants, the Joint Lead Managers, the Joint Bookrunners or the Advisors (or their respective representatives) makes any representation to any potential Subscriber regarding the legality of applying for Offer Shares by such potential Subscriber under the laws applicable to such potential Subscriber.

The Internal Shariah Supervision Committee of Emirates NBD Bank PJSC has issued (or is expected to issue) pronouncements confirming that, in its view, the Offering is compliant with Shariah principles. Investors may not rely on these pronouncements and should undertake their own due diligence to ensure that the Offering is Shariah compliant for their own purposes.

Apart from the responsibilities and liabilities, if any, which may be imposed on any of the Joint Lead Managers and the Joint Bookrunners under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of the Joint Lead Managers and the Joint Bookrunners and their respective subsidiary undertakings and affiliates and their (or their subsidiary undertakings' or affiliates') respective directors, officers, employees or agents accepts any responsibility whether arising in tort, contract or otherwise for, or makes any representation or warranty, express or implied, as to the accuracy, completeness or verification of the contents of this document or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Offer Shares or the Offering and nothing in this Prospectus should be relied upon as a promise or representation in this respect, whether or not to the past or future. Each of the Joint Lead Managers and the Joint Bookrunners and their respective subsidiary undertakings and affiliates and their (or their subsidiary undertakings' or affiliates') respective directors, officers, employees or agents accordingly disclaims all and any responsibility or liability, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of this Prospectus or any such statement or the public offering of the Offer Shares in the UAE generally.

This Prospectus was approved by the SCA on 21 October 2022.

Definitions and Abbreviations

<i>ADGM</i>	Abu Dhabi Global Market.
<i>Adjusted EBITDA</i>	Calculated as EBITDA, less impairment reversal of project cost, other income, share of profit of joint venture, interest income on financial asset at amortized cost, plus provision of credit losses, impairment charges on trade receivables and net impairment losses on financial assets.
<i>Adjusted EBITDA margin</i>	Calculated as Adjusted EBITDA divided by total revenue expressed as a percentage.
<i>AED or UAE Dirham</i>	The lawful currency of the United Arab Emirates.
<i>Articles of Association</i>	The articles of association of the Company.
<i>Annual Financial Statements</i>	The Company's audited consolidated financial statements as of and for the years ended 31 December 2020 (including the comparative financial information as of and for the year ended 31 December 2019) and 31 December 2021 (with comparative financial information as of and for the year ended 31 December 2020), and the related notes thereto.
<i>Authority or SCA</i>	The Securities and Commodities Authority of the United Arab Emirates.
<i>Board or Board of Directors</i>	The board of Directors of the Company.
<i>CAGR</i>	Compound Annual Growth Rate.
<i>Capital Expenditure</i>	Payment for property, plant and equipment, net of project accruals, retention payables to capex suppliers plus acquisition of subsidiary.
<i>Closing Date</i>	7 November 2022 for the First Tranche and 8 November 2022 for the Second Tranche.
<i>Companies Law</i>	Federal Law by Decree No. 32 of 2021 Concerning Commercial Companies (as amended from time to time).
<i>Company or Empower</i>	Emirates Central Cooling Systems Corporation PJSC, a public joint stock company in Dubai pursuant to the applicable laws of the UAE.
<i>Emirates Power</i>	one of the Selling Shareholders.
<i>Empower Group Companies or Group</i>	Emirates Central Cooling Systems Corporation PJSC and its subsidiaries.
<i>DEWA</i>	Dubai Electricity and Water Authority PJSC, founder of Empower and one of the Selling Shareholders.
<i>DFM</i>	Dubai Financial Market in the UAE.

<i>DFSA</i>	Dubai Financial Services Authority.
<i>DIFC</i>	Dubai International Financial Centre.
<i>Directors</i>	The members of the Board of Directors of the Company
<i>Dubai Holding</i>	Dubai Holding LLC.
<i>Dubai CSD</i>	Dubai CSD is an independent Central Securities Depository licensed by SCA. Dubai CSD performs depository services for all DFM listed securities.
<i>EBITDA</i>	Calculated as net profit for the year / period excluding the impact of interest, tax, depreciation and amortization..
<i>EIA</i>	Emirates Investment Authority.
<i>Electronic Applications</i>	Applications via online internet / mobile banking and ATMs as provided by the Receiving Banks to the First Tranche Subscribers.
<i>Empower Law</i>	Law No. 22 of 2022 Concerning Emirates Central Cooling Systems Corporation, a public joint-stock company (PJSC) and having legal personality, financial and administrative autonomy, and the full legal capacity to conduct its activities and achieve its objectives which law has been issued by the Ruler of Dubai
<i>ESG</i>	Environmental, Social and Governance.
<i>Final Offer Price</i>	The offer price at which all the Subscribers in the First Tranche and the Second Tranche will purchase each Offer Share. The Final Offer Price of each Offer Share will be determined following a bookbuild process for the Second Tranche and following consultation between the Joint Lead Managers, the Selling Shareholders and the Company. The shares of the Professional Investors must represent all of the Offer Shares used to calculate the Final Offer Price of each Offer Share. Following closing of the Second Tranche, the Company will publish an announcement setting out the Final Offer Price (the “Offer Price Announcement”), which will be published in two Arabic local daily newspapers and one English newspaper in the UAE and on the Company’s website www.empower.ae/ipo
<i>Final Offer Size</i>	The final number of the Offer Shares that will be offered for sale by the Selling Shareholders and which will be determined following closing of the Second Tranche.
<i>Financial Statements</i>	The Annual Financial Statements and Interim Financial Statements.
<i>Financial Year</i>	The financial year of the Company will start on 1st January and end on 31st December of each year.
<i>First Tranche</i>	The Offering of the Offer Shares in the UAE to First Tranche

	Subscribers.
<i>First Tranche Subscribers</i>	Individual Subscribers and other investors (including natural persons, companies and establishments) who do not participate in the Second Tranche and who hold a NIN with the DFM and have a bank account.
<i>FTS Fund Transfer Mode</i>	UAE Central Bank Fund Transfer (“ FTS ”) mode.
<i>FSRA</i>	ADGM Financial Services Regulatory Authority.
<i>FSMR Regulations</i>	Financial Services and Markets Regulations.
<i>Fund</i>	Pensions and Social Security Fund of Local Military Personnel in the Emirate of Dubai.
<i>GCC</i>	Gulf Cooperation Council countries comprising the United Arab Emirates, Kingdom of Saudi Arabia, Sultanate of Oman, State of Qatar, State of Kuwait and Kingdom of Bahrain.
<i>Government</i>	The Government of Dubai.
<i>Governance Rules</i>	The Chairman of Authority’s Board of Directors’ Decision no (3/Chairman) of 2020 Concerning approval of Joint Stock Companies Governance Guide as amended.
<i>IFRS</i>	International Financial Reporting Standards as issued by the International Accounting Standards Board.
<i>Individual Subscribers</i>	Natural persons who hold a NIN with the DFM and have a bank account (including natural persons constituting Assessed Professional Investors) and who do not participate in the Second Tranche. There are no other citizenship or residence requirements.
<i>Interim Financial Statements</i>	the unaudited interim condensed consolidated financial statements of the Group as of and for the three and six months ended 30 June 2022 (including the comparative financial information for the three months (unaudited and not reviewed) and six months (unaudited) ended 30 June 2021, and the related notes thereto (the “H1 2022 Interim Financial Statements”); and the unaudited interim condensed consolidated financial statements of the Group as of and for the three and nine months ended 30 September 2022 (including the unaudited and not reviewed comparative financial information for the three and nine months ended 30 September 2021) and the related notes thereto (the “Q3 2022 Interim Financial Statements”).
<i>Joint Bookrunners</i>	Emirates NBD Capital PSC, EFG Hermes UAE LLC and a syndicate of international banks
<i>Joint Lead Managers</i>	Emirates NBD Capital PSC; and EFG Hermes UAE LLC.
<i>KSA</i>	Kingdom of Saudi Arabia.
<i>Listing of the Shares or</i>	Following the closing of the subscription and the allocation of Offer Shares to successful Subscribers, the Company will apply to list all of

<i>Listing</i>	its Shares on the DFM. Trading in the Shares on the DFM will be effected through the DFM Share Registry.
<i>Lead Receiving Bank</i>	Emirates NBD Bank PJSC.
<i>Manager's Cheque</i>	Certified bank cheque drawn on a bank licensed and operating in the United Arab Emirates.
<i>Maximum Investment</i>	No maximum subscription in Offer Shares has been set.
<i>Minimum Investment</i>	The minimum subscription for Offer Shares in the First Tranche has been set at AED 5,000, with any additional investment to be made in increments of at least AED 1,000. The minimum subscription for Offer Shares in the Second Tranche has been set at AED 5,000,000 (see the section on "Subscription Amounts" in the first section of this Prospectus).
<i>Net Debt</i>	Calculated as total bank borrowings less cash and cash equivalents and term deposits
<i>NIN</i>	A national investor number that a Subscriber must obtain from the DFM for the purposes of subscription.
<i>Offering</i>	The public subscription of 1,000,000,000 (one billion) Shares which are being offered for sale by the Selling Shareholders. 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 the applicable laws and the SCA's approval.
<i>Offer Price Range</i>	The Offer Shares are being offered at an offer price range in AED that will be published on the first day of the opening of the Offer Period.
<i>Offer Participants</i>	The entities listed on pages 8 and 9 of this Prospectus.
<i>Offer Period</i>	The subscription period for the First Tranche starts on 31 October 2022 and will close on 7 November 2022. The subscription period for the Second Tranche starts on 31 October 2022 and will close on 8 November 2022.
<i>Offer Shares</i>	1,000,000,000(one billion) Shares which will be sold by the Selling Shareholders in a public subscription process. 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 the applicable laws and the SCA's approval.
<i>O&M</i>	Operations and maintenance.
<i>OPEC</i>	The Organization of the Petroleum Exporting Countries, consisting of Algeria, Angola, Equatorial Guinea, Gabon, Iran, Iraq, Kuwait, Libya,

	Nigeria, the Republic of the Congo, Saudi Arabia (the de facto leader), the United Arab Emirates and Venezuela.
<i>OPEC+</i>	The wider Organization of the Petroleum Exporting Countries group, which includes countries additional to the OPEC countries.
<i>PJSC</i>	Public Joint Stock Company.
<i>Professional Client</i>	Persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module.
<i>Professional Investors</i>	“Professional Investors” (as defined in the SCA Board of Directors’ Chairman Decision No.13/R.M of 2021 (as amended from time to time), which specifically include those investors which can be categorised in the following manner: (i) “Deemed Professional Investors” which include: a) international corporations and organisations whose members are states, central banks or national monetary authorities; b) governments, government institutions, their investment and non-investment bodies and companies wholly owned by them; c) central banks or national monetary authorities in any country, state or legal authority; d) capital market institutions licensed by the SCA or regulated by a supervisory authority equivalent to the SCA; e) financial institutions; f) regulated financial institutions, local or foreign mutual investment funds, regulated pension fund management companies and regulated pension funds; g) any entity whose main activity represents investment in financial instruments, asset securitisation or financial transactions; h) any company whose shares are listed or accepted to trade in any market of an IOSCO member country; i) a trustee of a trust which has, during the past 12 months, assets of AED 35,000,000 or more; j) licensed family offices with assets of AED 15,000,000 or more. k) joint ventures and associations which have or had, at any time during the past two years, net assets of AED 25,000,000 or more (excluding partner and shareholder loans); l) a body corporate who fulfils (on the date of its last financial statements) a “large undertaking” test, whereby it fulfils at least two of the following requirements:

	I. holds total assets of AED 75,000,000 or more (excluding short-term liabilities and long-term liabilities); II. has a net annual revenue of AED 150,000,000 or more; or III. an aggregate total of cash and investments on its balance sheet; or its total equity (after deducting paid up share capital), is not less than AED 7,000,000; (ii) “Assessed Professional Investors” which include: m) a natural person who owns net assets, excluding the value of their main residence, of not less than AED 4,000,000 (a “HNWI”); n) a natural person who is: I. approved by the SCA or a similar supervisory authority; II. an employee of a licensed entity or a regulated financial institution who has been employed for the past two years; III. assessed to have sufficient knowledge and experience in respect of the relevant investments and their risks (following a suitability assessment); or IV. represented by an entity licensed by the SCA; o) a natural person (the “account participant”) with a joint account for investment management with a HNWI (the “main account holder”), provided that each of the following conditions are satisfied: I. the “account participant” must be an immediate or second degree relative of the “main account holder”; II. the account is used to manage the investments of the “main account holder” and their subscribers; and III. written confirmation is obtained from the subscriber (i.e., the “account participant”) confirming that investment decisions relating to the joint investment account are made on their behalf by the “main account holder”; and p) special purpose vehicles and trusts established for the purpose of managing an investment portfolio of assets for a HNWI; q) an undertaking which satisfies the following requirements: I. an aggregate total of cash and investments on its balance sheet; or its total equity (after deducting
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	paid up share capital), is not less than AED 4,000,000; and II. is assessed to have sufficient knowledge and experience in respect of the relevant investments and their risks (following a suitability assessment); or III. it has a controller (e.g., a person controlling the majority of the shares or voting rights in the relevant undertaking or possesses the ability to appoint or remove the majority of the relevant undertaking's board of directors), IV. a holding or subsidiary company V. or a joint venture partner that meet the definition of a Deemed Professional Investor or an Assessed Professional Investor. who, in each case, has been approved by the Company and the Founders, in consultation with the Joint Lead Managers and to which the following characteristics apply: (a) a person outside the United States to whom an offer can be made in reliance on Regulation S, (b) a person in the DIFC to whom an offer can be made pursuant to an exemption from registration under the Market Rules Module of the DFSA's Rulebook, or (c) a person in the ADGM to whom an offer can be made pursuant to an exemption from registration under the FSMR Regulations and made only to persons who meet the Professional Client criteria set out in the FSRA Conduct of Business Rulebook.
<i>Receiving Banks</i>	The group of banks led by the Lead Receiving Bank, comprising those banks and the following other participating receiving banks as set out in the list of receiving banks attached in Annex 3 to this Prospectus.
<i>Regulation S</i>	Regulation S under the US Securities Act.
<i>RT</i>	Refrigerated tonnes.
<i>Second Tranche</i>	The offer of Offer Shares to Professional Investors made under the Second Tranche Document.
<i>Second Tranche Document</i>	The offer document that has been drafted in a specific manner to be addressed only to Professional Investors subscribing for Offer Shares in the Second Tranche and in compliance with the laws and regulations of the relevant competent jurisdictions and acceptable to such jurisdictions, and which has not been approved by the Authority. Such offer document does not form part of this Prospectus and the information contained therein does not form part of this Prospectus. This offer document for the Second Tranche will be available at www.empower.ae/ipo and all investors can review it.
<i>Second Tranche Subscribers</i>	Professional Investors.

<i>Founders or Selling Shareholders</i>	DEWA and Emirates Power.
<i>Shares</i>	The ordinary shares of the Company with a nominal value of AED 0.10 (ten Fils) each, which are fully paid. The Shares have the rights set out in the articles of association.
<i>Shareholder</i>	Holder of Shares in the capital of the Company.
<i>SMS</i>	Short Message Service.
<i>Subscriber</i>	A natural or juridical applicant, in either case who applies for subscription in the Offer Shares.
<i>Subscription Opening Date</i>	31 October 2022
<i>TECOM</i>	TECOM Investments FZ LLC
<i>UAE</i>	United Arab Emirates.
<i>UAE Central Bank</i>	The Central Bank of United Arab Emirates.
<i>UK</i>	The United Kingdom of Great Britain and Northern Ireland.
<i>US Securities Act</i>	The US Securities Act of 1933, as amended.
<i>United States or US</i>	The United States of America, its territories and possessions, any State of the United States of America, and the District of Columbia.

First section: Subscription terms and conditions

Key details of shares offered for sale to the public

- **Name of the Company:** Emirates Central Cooling Systems Corporation PJSC.
- **Share capital:** The share capital of the Company as at the date of Listing has been set at AED 1,000,000,000 (one billion UAE dirhams) divided into 10,000,000,000 (ten billion) shares paid in full, with the nominal value of each Share being AED 0.10 (ten Fils).
- **Percentage, number and type of the Offer Shares:** 1,000,000,000 (one billion) Shares, all of which are ordinary shares, and which constitute 10 % (ten percent) of the Company's issued share capital. 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 the applicable laws of the UAE and the SCA's approval.
- **Offer Price Range per Offer Share:** The Offer Price Range will be published on 31 October 2022 prior to opening the subscription period.
- **Eligibility of the qualified categories of Subscriber to apply for the acquisition of the Offer Shares:**
 - **First Tranche:** The First Tranche of the Offering will be open to First Tranche Subscribers as described in the "Definitions and Abbreviations" section of this Prospectus. All Subscribers in the First Tranche must hold a NIN and have a bank account number. 10% (ten per cent) of the Offer Shares, 100,000,000 (one hundred million) Shares are allocated to the First Tranche. The Selling Shareholders reserve the right to amend the size of the First Tranche at any time prior to the end of the subscription period at their sole discretion, subject to the approval of the SCA. Any increase in the size of the First Tranche will result in a corresponding reduction in the size of the Second Tranche (as applicable), provided that the subscription percentage of the subscribers in the Second Tranche does not fall below 60% of the Offer Shares and the subscription percentage of the subscribers in the First Tranche does not exceed 40% of the Offer Shares.
 - **Second Tranche:** The Second Tranche of the Offering will be open to Professional Investors as described in the "Definitions and Abbreviations" section of this Prospectus. All Subscribers in the Second Tranche must hold a NIN. 90 % (ninety per cent) of the Offer Shares, representing 900,000,000 (nine hundred million) Shares, are allocated to the Second Tranche. The Selling Shareholders reserve the right to amend the size of the Second Tranche at any time prior to the end of the subscription period at their sole discretion, subject to the applicable laws of the UAE and the approval of the SCA, provided that the subscription percentage of the subscribers in the Second Tranche does not fall below 60% of the Offer Shares and the subscription percentage of the subscribers in the First Tranche does not exceed 40% of the Offer Shares.
- **Public subscription in the Offer Shares is prohibited as follows:** Public subscription is prohibited to any Subscriber whose investment is restricted by the laws of the jurisdiction where the Subscriber resides or by the laws of the jurisdiction to which the Subscriber belongs. It is the Subscriber's responsibility to determine whether the Subscriber's application for, and investment in, the Offer Shares conforms to the laws of the applicable jurisdiction(s).
- **Minimum subscription:** The minimum subscription in Offer Shares in the First Tranche has been set at AED 5,000 with any additional investment to be made in increments of at least AED 1,000 (one thousand UAE dirhams). The minimum subscription for Offer Shares in the Second Tranche has been set at AED 5,000,000 (five million UAE dirhams).
- **Maximum subscription:** No maximum subscription in Offer Shares has been set.
- **Subscription by Founders:** The Founders may not subscribe for any of the Offer Shares, whether directly or indirectly or through its subsidiaries.
- **Lock-up period:** Pursuant to an underwriting agreement that is expected to be entered into between the Company, the Selling Shareholders and the Joint Bookrunners prior to the date of Listing (the

“Underwriting Agreement”), the Shares held by the Selling Shareholders following Listing are expected to be subject to a lock-up which starts on the date of Listing and ends 180 days thereafter, subject to certain permitted transfers as set out in the Underwriting Agreement.

- **Reasons for the Offering and Use of Offer Proceeds:**

The Company will not receive any proceeds from the Offering. The Offering is being conducted, among other reasons, to allow the Selling Shareholders to sell part of its shareholding, while providing increased trading liquidity in the Shares and raising Company’s profile within the international investment community.

- **Subscription costs / Offering expenses:**

All expenses of the Offering (including selling commissions and any discretionary fees) will be borne by the Selling Shareholders.

Further Information on the First Tranche

1. Subscription Applications

Each Subscriber in the First Tranche may submit one subscription application only (i) in the case of a subscription application by a natural person, in his or her personal name (unless he or she is acting as a representative for another Subscriber, in which case the subscription application will be submitted in the name of such Subscriber) or (ii) in the case of a subscription application by a corporate entity, in its corporate name. In case a Subscriber submits more than one application in his or her personal name or its corporate name, the Lead Receiving Bank and the Joint Lead Managers reserve the right to accept all or disqualify all or some of the Subscription Applications submitted by such Subscriber and not to allocate any Offer Shares to such Subscriber.

Subscribers must ensure to have an updated NIN and complete all of the relevant fields in the subscription application along with all required documents and submit it to any Receiving Bank or through one of the electronic subscription channels as set below, together with the subscription amount during the Offer Period for the First Tranche.

The completed subscription application should be clear and fully legible. If it is not, the Receiving Bank shall refuse to accept the subscription application from the Subscriber until the Subscriber satisfies all the required information or documentation before the close of the subscription.

Subscription for Offer Shares would deem the Subscriber to have accepted the Articles of Association of the Company and complied with all the resolutions issued by the Company's General Assembly. Any conditions added to the subscription application shall be deemed null and void. No photocopies of subscription applications shall be accepted. The subscription application should only be fully completed after reviewing this Prospectus and the Company's Articles of Association. The subscription application then needs to be submitted to any of the Receiving Banks' branches mentioned herein. The Subscribers or their representatives shall affirm the accuracy of the information contained in the application in the presence of the bank representative in which the subscription was made. Each subscription application shall be clearly signed or certified by the Subscriber or his representative.

The Receiving Banks may reject subscription applications submitted by any Subscriber in the First Tranche for any of the following reasons:

- the subscription application form is not complete or is not correct with regard to the amount paid or submitted documents (and no Offer Participant takes responsibility for non-receipt of an allotment of Offer Shares if the address of the Subscribers is not filled in correctly);
- the subscription application amount is paid using a method that is not a permitted method of payment;
- the subscription application amount presented with the subscription application does not match the minimum required investment or the increments set for the First Tranche offers; and
- the completed subscription application form is not clear and fully legible.
- the manager's cheque is returned for any reason;
- the amount in the bank account mentioned in the subscription application form is insufficient to pay for the application amount mentioned in the subscription application form or the Receiving Bank is unable to apply the amount towards the application whether due to signature mismatch or any other reasons;
- the NIN is not made available to DFM or an incorrect NIN is provided;
- the subscription application is found to be duplicated, any acceptance of such applications is solely at the discretion of the Selling Shareholders);
- the subscription application is otherwise found not to be in accordance with the terms of the

Offering;

- the Subscriber is found to have submitted more than one application (it is not permitted to apply in both the First Tranche and the Second Tranche_ - any acceptance of such application is solely at the discretion of the Selling Shareholders.
- the Subscriber is a natural person and is found to have submitted the subscription application other than in his or her personal name (unless he or she is acting as a representative for another Subscriber);
- a Subscriber has not adhered to the rules applicable to the First Tranche offer;
- if it is otherwise necessary to reject the subscription application to ensure compliance with the provisions of the Companies Law, the Articles of Association, this Prospectus or the requirements of the UAE Central Bank, the Authority or the DFM; and
- if for any reason FTS/SWIFT/Payment gateway system (PGS)/ any other electronic channels funds transfer fails or the required information in the special fields is not enough to process the application.

The Receiving Banks and the Lead Receiving Bank may reject the application for any of the reasons listed above at any time until allocation of the Offer Shares and have no obligation to inform the Subscribers before the notification of the allocation of Shares to such rejected Subscribers.

Documents accompanying Subscription Applications

Subscribers shall submit the following documents along with their subscription application forms:

For *individuals* who are UAE or GCC nationals or nationals of any other country:

- NIN details
- Passport/Emirates ID
- In case the signatory is a guardian of a minor, the following will be submitted:
 - Original and copy of the guardian's passport/Emirates ID for verification of signature;
 - If the guardian is appointed by the court, original and copy of the guardianship deed attested by the court and other competent authorities (e.g., notary public).

For *corporate bodies* including banks, financial institutions, investment funds and other companies and establishments:

- UAE registered corporate bodies:
 - The original and a copy of a trade license or commercial registration for verification or a certified copy by one of the following UAE-regulated persons/bodies; a notary public or as otherwise duly regulated in the country;
 - The original and a copy of the document that authorizes the signatory to sign on behalf of the subscriber and to represent the subscriber, to submit the application, and to accept the terms and conditions stipulated in the Prospectus and in the subscription form; and
 - NIN details.
- Foreign corporate bodies: the documents will differ according to the nature of the corporate body and its domicile. Accordingly, please consult with the Joint Lead Managers to obtain the list of required documents.

In case the signatory is different from the Subscriber:

- the duly notarized power of attorney held by that signatory or a certified copy by UAE-regulated persons/bodies, such as a notary public, or as otherwise duly regulated in the

country;

- the original passport/Emirates ID of the signatory for verification of signature and a copy of the original passport/Emirates ID; and
- NIN details.

2. Method of subscription and payment for the First Tranche

The subscription application must be submitted by a Subscriber to any of the Receiving Banks listed in this Prospectus and the NIN and the Subscriber's bank account number must be provided, together with payment in full for the amount it wishes to use to subscribe for the Offer Shares, which is to be paid in one of the following ways:

- Certified bank cheque (Manager's cheque) drawn on a bank licensed and operating in the UAE, in favor of **Empower PJSC** - IPO; or
- Debiting a Subscriber's account with a Receiving Bank; or
- Electronic Subscriptions (please refer to the section on Electronic Subscription below).

The subscription amount may not be paid or accepted by a Receiving Bank using any of the following methods:

- In cash;
- Cheques (not certified); or
- Any other mode of payment other than mentioned above.

Please refer to the Annex (3) for the Receiving Bank's participating branches

Electronic subscription

DFM E-subscription

The DFM will make its official website www.dfm.ae and DFM mobile application available to Subscribers with a NIN registered on the DFM website www.dfm.ae or DFM mobile application and holding a valid iVESTOR Card or through online banking via UAE Central Bank payment gateway or through UAE Central Bank Fund Transfer ("FTS"). DFM accepts subscription through FTS and PGS and it continues to accept such payments until the last day of the IPO.

Once the subscription amount has been transferred, you must email a copy of the payment receipt to: financialservices@dfm.ae, for them to submit their electronic subscriptions to the Receiving Bank. The Receiving Banks and securities brokerage firms may also have their own electronic channels (On-line internet banking applications, mobile banking applications, ATMs, securities brokerage firms' applications and subscription channels provided by DFM etc.) interfaced with the DFM IPO system. By submitting the electronic subscription form the customer submitting the application is accepting the Offering terms and conditions on behalf of the Subscriber and is authorising the iVESTOR Card issuing bank and the Receiving Bank to pay the total subscription amount by debiting the amount from the respective iVESTOR Card or the bank account of the customer and transferring the same to the IPO account in favor of **Empower PJSC** - IPO held at the Lead Receiving Bank, as detailed in the subscription application. The submission of an electronic application will be deemed to be sufficient for the purposes of fulfilling the identification requirements and accordingly, the supporting documentation in relation to applications set out elsewhere in this document will not apply to electronic applications under this section. Notification of the final allocation of Offer Shares and the refund of proceeds for unallocated Offer Shares (if any) and profits thereon following the closing of the Offer Period and prior to the Listing of the Shares shall be performed solely by, and processed through, the Receiving Bank in which the original application for subscription was submitted.

In the event any of the Subscribers do not comply with the terms and conditions contained set out in this Prospectus, especially in relation to the electronic subscription and/or iVESTOR Card, none of the

DFM, the Founders, the Company, the Board, the Lead Receiving Bank, the Receiving Banks nor the iVESTOR Card issuing bank shall in any way be liable for the use of the electronic subscription facility by the customer of the bank or the Subscriber, the debiting of the customer account of the Lead Receiving Bank, Receiving Banks, nor the debiting of the iVESTOR Card by the iVESTOR Card issuing bank, in respect of all and any losses or damages suffered, directly or indirectly as a result of the electronic subscription facility and/or the iVESTOR Card.

Subscription applications may also be received through UAE Central Bank Fund Transfer (“FTS”) mode. Any Subscriber choosing the FTS method will be required to provide their valid NIN along with the value of Offer Shares subscribed for in the special instructions field Important Dates relevant to the methods of payment of the subscription amounts.

E-subscription through the Receiving Banks General Terms

The Receiving Banks may also have their own electronic channels (ATMs, Internet Banking, Mobile Banking applications, Website, etc.) interfaced with the DFM IPO system.

By submitting the electronic subscription application, the customer submitting the application is accepting the Offering terms and conditions on behalf of the Subscriber and authorize the relevant Receiving Banks to retrieve Investor details from DFM Market to submit the subscription application and pay the total subscription amount by debiting the amount from the respective bank account of the customer and transferring the same to the Offer account in favor of “Empower P.J.S.C.” held at the Receiving Banks, as detailed in the subscription application.

The submission of an electronic application will be deemed to be sufficient for the purposes of fulfilling the identification requirements and accordingly, the supporting documentation in relation to applications set out elsewhere in this Prospectus will not apply to Electronic Applications under this section.

Notification of the final allocation of Offer Shares and the refund of proceeds for unallocated Offer Shares (if any) and any returns thereon following the closing of the Offer Period and prior to the listing of the shares shall be performed solely by, and processed through, the Receiving Bank in which the electronic subscription application was submitted.

In the event any of the Subscribers do not comply with this Prospectus, especially in relation to the electronic subscription, neither the DFM, the Founder, the Company, the Board, the Receiving Banks shall in anyway be liable for the use of the electronic subscription facility by the customer of the bank or the Subscriber, the debiting of the customer account of the Receiving Banks, in respect of all and any losses or damages suffered, directly or indirectly as a result of the electronic subscription facility.

Emirates NBD e-Subscription

Account holders with Emirates NBD Bank can subscribe via the bank’s online internet banking and mobile application channel as well as through ATMs. Eligible persons can access Emirates NBD Bank’s ATMs with their debit card, and online banking or mobile application using their relevant username and password (as is customary with these channels). This will be deemed sufficient for the purposes of identification and accordingly the supporting documentation in relation to application set out elsewhere in this Prospectus will not apply to electronic applications.

Subscribers without an Emirates NBD Bank account, who are either in the UAE or outside the UAE, can subscribe through the dedicated IPO website <https://IPO.EmiratesNBD.com> and pay through Online Banking via the UAE Central Bank Payment Gateway (“PGS”) or through UAE Central Bank Fund Transfer (“FTS”) or SWIFT.

In case of any issues or support, please contact the dedicated Emirates NBD Bank IPO team through our call center 800 4767 (800 IPOS).

Emirates Islamic Bank e-Subscription

Account holders with Emirates Islamic Bank can subscribe via the bank’s online internet banking and mobile banking channel as well as through ATMs. Eligible persons can access Emirates Islamic Bank’s

ATMs with their debit card, and online banking or mobile banking using their relevant username and password (as is customary with these channels). This will be deemed sufficient for the purposes of identification and accordingly the supporting documentation in relation to application set out elsewhere in this Prospectus will not apply to electronic applications.

In case of any issues or support, please contact the dedicated Emirates Islamic Bank IPO team through our call center 800 4767 (800 IPOS).

First Abu Dhabi Bank

FAB EIPO-Subscription Access <https://www.bankfab.com/en-ae/cib/iposubscription>.

Refer to the “How to subscribe page” and follow the instructions and submit subscriptions for the First Tranche.

FAB Mobile Banking application (For FAB Client)

If you need any support, please call FAB Call Centre No. 026161800

Abu Dhabi Islamic Bank

ADIB's electronic subscription channels, including online internet banking, are accessible via ADIB's official website www.adib.ae and mobile banking app. These are duly interfaced with the DFM database and are only available to ADIB account holders.

ADIB account holders will access ADIB's electronic subscription channels with their relevant username and password and this will be deemed to be sufficient for the purposes of fulfilling the identification requirements.

ADIB account holders complete the electronic application form relevant to their tranche by providing all required details including an updated DFM NIN, an active ADIB account number, the amount they wish to subscribe for, and by selecting the designated brokerage account.

By submitting the electronic subscription form, the ADIB account holder accepts the Offering terms and conditions, authorizes ADIB to debit the amount from the respective ADIB account and to transfer the same to the IPO account in favor of the issuer account held at ADIB, as detailed in the subscription application.

ADIB account holders with a successful subscription automatically receive an acknowledgement of receipt by email and have to keep this receipt until they receive the allotment notice.

For any further queries, kindly contact us on +971 2 652 0878

MASHREQ Bank

Mashreq Bank's Digital Journey will offer the functionality to existing Mashreq customers to digitally submit their IPO subscription requests, generate NINs with DFM & open brokerage account with Mashreq Securities real-time through one seamless journey via their Mashreq Mobile App. Eligible clients can also apply for up to 5 multiples of leverage through the same digital journey.

Non-Mashreq customers can avail the above by first opening their Mashreq NEO account instantly through the Mashreq NEO App.

For further clarifications please refer to <https://mashreq.com/Empower-ipo>

For any further queries, kindly contact us on +971 4 424 4457

Dubai Islamic Bank

DIB's Customer can submit the IPO subscription through WhatsApp digital journey.

Add +97146092222 in your WhatsApp and type IPOSUB and follow the instruction. For any further queries kindly contact us on +971 4 609 2222 or visit the www.dib.ae

Ajman Bank

Ajman Bank account holders will be able to subscribe for the IPO via Online Banking and through the nominated participating Branches. Please login to <https://www.ajmanbank.ae> to subscribe through our online banking channel by following simple steps.

For any further queries, kindly contact us on 800 22

Al Maryah Community Bank (Mbank)

Mbank UAE Mobile Banking Application

For applying through Al Maryah Community Bank LLC's MBank UAE app, access <https://www.mbank.ae/IPO>. Refer to the section "How to subscribe" for instructions on subscribing through Mbank UAE app on your mobile device (the app is available for download on the Apple App store and Google Play). Applicants can also issue DFM NINs from the Mbank mobile app.

Subscription applications through Al Maryah Community Bank LLC will only be accepted if made by UAE residents. For any further queries, kindly contact us on 600 571 111

Commercial Bank of Dubai

The IPO will be open to all CBD account holders.

Account holders can login to their CBD online banking portal and submit their interest for the IPO. The dedicated team will then contact the client and complete the requirements including opening up of CBD FS brokerage account.

For any further queries, kindly contact us on +971 4 212 1895

Sharjah Islamic Bank

For any further queries, kindly contact us on +971 6 599 9999

Important dates relevant to the methods of payment of the subscription amounts:

- Subscription amounts paid by way of cheque must be submitted by 11:00pm on 4 November 2022.
- Subscription applications received through E-subscription online and mobile banking / FTS / SWIFT / PGS must be made by 1:00pm on 5 November 2022.
- Subscription applications received through ATM, Internet Banking, Mobile Application & Website must be made before/ by 1:00pm on 7 November 2022.

Subscription amounts

Subscribers in the First Tranche must submit applications to purchase Offer Shares in the amount of AED 5,000 (five thousand UAE dirhams) or more, with any subscription over AED 5,000 (five thousand UAE dirhams) to be made in increments of at least AED 1,000 (one thousand UAE dirhams). Subscribers in the First Tranche shall accordingly apply for an AED subscription amount which shall be applied towards purchasing Offer Shares at the Final Offer Price, rather than applying for a specific number of Offer Shares.

Final Offer Price

The offer price at which all the Subscribers will purchase Offer Shares will be at the Final Offer Price.

The Offer Shares will be sold in an initial public offer and the Final Offer Price will be determined by way of the application of a book building process, where an application orders' ledger will be created through the application orders made only by the Second Tranche Subscribers (see details of who may apply in the Second Tranche). Second Tranche Subscribers will be invited to bid for Offer Shares within the Offer Price Range using price sensitive orders (as in, by indicating application amounts that vary in size depending on price). The Joint Lead Managers will use the information on the extent of demand at various prices provided by these Second Tranche Subscribers to determine and recommend to the

Company and the Selling Shareholders the Final Offer Price (which must be within the Offer Price Range) for all participants in the Offering.

The Shares of the Professional Investors must represent the majority of the Offer Shares used to calculate the Final Offer Price of the Offer Shares.

Subscription process

Subscribers must complete the application form relevant to their tranche, providing all required details. Subscribers who do not provide their NIN and bank account details will not be eligible for subscription and will not be allocated any Offer Shares.

Subscribers may only apply in one tranche. In the event a person applies in more than one tranche, then the Lead Receiving Bank, Receiving Banks and the Joint Lead Managers may disregard one or both of such applications.

The Receiving Bank through which the subscription is made will issue to the Subscriber an acknowledgement of receipt which the Subscriber has to keep until the Subscriber receives the allotment notice. One copy of the subscription application after being submitted, signed, and stamped by the Receiving Bank shall be considered as an acknowledgement for receipt of the subscription application. This receipt shall include the data of the Subscriber, address, amount paid, details of the payment method, and date of investment. The acknowledgement in the case of Electronic Applications via online internet banking and ATM would provide basic information of the application such as the NIN number, amount, date and customer bank account details.

If the address of the Subscriber is not filled in correctly, the Company, the Selling Shareholders, the Joint Lead Managers and the Receiving Banks take no responsibility for non-receipt of such allotment advice.

3. Further information on various matters

Offer Period

Commences on 31 October 2022 and closes on 7 November 2022 for the First Tranche and 8 November 2022 for the Second Tranche.

Lead Receiving Bank: Emirates NBD Bank PJSC.

Receiving Banks

A list of all Receiving Banks is attached in Annex 3 to this Prospectus.

Method of allocation of Offer Shares to different categories of Subscribers

(Under SCA Chairman of the Board Resolution no. (11/R.M) of 2016 on the Regulations for Issuing and Offering Shares of Public Joint Stock Companies, as amended)

Should the total size of subscriptions received exceed the number of Offer Shares, then the Selling Shareholders will allocate the Offer Shares according to the allotment policy specified below and will refund to Subscribers the excess subscription amounts and any earned profit resulting thereon.

Notice of Allocation

A notice to successful Subscribers in the First Tranche will be sent by way of SMS initially confirming the acceptance of subscription and number of Offer Shares allocated to them. This will be followed by a notice setting out to each Subscriber's Share allocation, which will be sent by registered mail to each Subscriber in the First Tranche.

Method of refunding surplus amounts to Subscribers

By no later than 15 November 2022 (being within five (5) working days of the Closing Date of the Second Tranche), the Offer Shares shall be allocated to Subscribers and, within five (5) working days of such allocation, the surplus subscription amounts, and any earned profit resulting thereon,

shall be refunded to Subscribers in the First Tranche who did not receive Offer Shares, and the subscription amounts and any earned profit resulting thereon shall be refunded to the Subscribers in the First Tranche whose applications have been rejected for any of the above reasons. The surplus amount and any earned profit thereon will be returned to the same Subscriber's account through which the payment of the original application amount was made. In the event payment of the subscription amount is made by certified bank cheque, these amounts shall be returned by sending a cheque with the value of such amounts to the Subscriber at the address mentioned in the subscription application.

The difference between the subscription amount accepted by the Company and the Selling Shareholders for a Subscriber, if any, and the application amount paid by that Subscriber will be refunded to such Subscriber, pursuant to the terms of this Prospectus.

Inquiries and complaints

Subscribers who wish to submit an inquiry or complaint with respect to any rejected requests, allocation, or refunding of the surplus funds, must contact the Receiving Bank through which the subscription was made, and if a solution cannot be reached, then the Receiving Bank must refer the matter to the Investor Relations Manager. The Subscriber must remain updated on the status. The Subscriber's relationship remains only with the party receiving the subscription request.

Listing and trading of Shares

Subsequent to the allocation of Offer Shares, the Company will list all of its Shares on the DFM in accordance with the applicable listing and trading rules as at the Listing date of 15 November 2022. Trading in the Shares will be effected on an electronic basis, through the DFM's share registry, with the commencement of such trading estimated to take place after completion of the registration.

Voting rights

All Shares are of the same class and shall carry equal voting rights and shall rank *pari passu* in all other rights and obligations. Each Share confers on its holder the right to cast one vote on all Shareholders' resolutions.

Risks

There are certain risks that are specific to investing in this Offering. Those risks have been discussed in a section headed "*Investment Risks*" of this Prospectus and must be taken into account before deciding to subscribe in Offer Shares.

Emirates Investment Authority

The EIA shall be entitled to subscribe to (5%) five per cent. of the Offer Shares, deducted from the Second Tranche, and the percentage of subscription which the EIA will purchase shall be allocated in full before the commencement of allocation. Shares allocated to the EIA under this preferential rights regime will be deducted from the total size of the Second Tranche. If the EIA does not exercise its preferential rights then its reserved portion shall be available to Professional Investors for subscription.

Pensions and Social Security Fund of Local Military Personnel

The Fund shall be entitled to subscribe up to (5%) five per cent of the Offer Shares, deducted from the Second Tranche, and the percentage of subscription which the Fund will purchase shall be allocated in full before the commencement of allocation. Shares allocated to the Fund under this preferential rights regime will be deducted from the total size of the Second Tranche. If the Fund does not exercise its preferential rights then its reserved portion shall be available to Second Tranche Subscribers for subscription.

4. Timetable for subscription and Listing

The dates set out below outline the expected timetable for the Offering. However, the Company

reserves the right to change any of the dates/times, or to shorten or extend the specified time periods upon obtaining the approval of the appropriate authorities and publishing such change(s) during the Offering period in daily newspapers.

Event	Date
Offering commencement date (Subscription Opening Date)	31 October 2022
Closing Date of the First Tranche	7 November 2022
Closing Date of the Second Tranche	8 November 2022
Announcement of Final Offer Price	9 November 2022
Allocation of First Tranche	By no later than 14 November 2022
SMS notification of final allocations of the First Tranche	By no later than 14 November 2022
Commencement of refunds related to the investment surplus, and any earned profit resulting thereon, to the First Tranche Subscribers as well as commencement of dispatch of registered mail relating to allotment of shares	By no later than 14 November 2022
Expected date of listing the Shares on the DFM	16 November 2022

5. Tranches

The Offering of the Offer Shares is divided as follows:

The First Tranche:

Size:	100,000,000 (one hundred million) Shares representing 10% (ten per cent) of the Offer Shares. The Selling Shareholders reserve the right to amend the size of the First Tranche at any time prior to the end of the subscription period at their sole discretion, subject to the approval of the SCA. Any increase in the size of the First Tranche will result in a corresponding reduction in the size of the Second Tranche, provided that the subscription percentage of the subscribers in the Second Tranche does not fall below 60% (sixty per cent) of the Offer Shares and the subscription percentage of the subscribers in the First Tranche does not exceed 40% (forty per cent) of the Offer Shares.
Eligibility:	First Tranche Subscribers (as described in the “ <i>Definitions and Abbreviations</i> ” section of this Prospectus).
Minimum application size:	AED 5,000 (five thousand UAE dirhams), with any additional application in increments of at least AED 1,000 (one thousand UAE dirhams).
Maximum application size:	There is no maximum application size.
Allocation policy:	In case of over-subscription in the First Tranche, Offer Shares will be allocated to First Tranche Subscribers pro rata to each Subscriber’s subscription application amount based on the Final Offer Price.

Applications will be scaled-back on the same basis if the First Tranche is over-subscribed. Any fractional entitlements resulting from the pro rata distribution of Offer Shares will be rounded down to the nearest whole number. Shares will be allocated in accordance with the aforementioned allotment policy, based on the Final Offer Price. Each Subscriber will have a guaranteed minimum allocation of 1,000 Shares.

Unsubscribed Offer Shares If all of the Offer Shares allocated to the First Tranche are not fully subscribed, the unsubscribed Offer Shares shall be available to Professional Investors, or alternatively (in consultation with the Authority) the Selling Shareholders may extend the Closing Date for the First Tranche and the Second Tranche or close the Offering at the level of applications received.

The Second Tranche:

Size: 90% (ninety per cent) of the Offer Shares, representing 900,000,000 (nine hundred million) Shares. The Selling Shareholders reserve the right to amend the size of the Second Tranche at any time prior to the end of the subscription period at their sole discretion, subject to the applicable laws of the UAE and the approval of the SCA, provided that the subscription percentage of the subscribers in the Second Tranche does not fall below 60% (sixty per cent) of the Offer Shares and the subscription percentage of the subscribers in the First Tranche does not exceed 40% (forty per cent) of the Offer Shares.

Eligibility: Professional Investors as described in the “Definitions and Abbreviations” section of this Prospectus.

Minimum application size: The minimum application size is AED 5,000,000 (five million UAE dirhams).

Maximum application size: There is no maximum application size.

Allocation policy: Allocations within the Second Tranche will be determined by the Company and the Selling Shareholders, in consultation with the Joint Lead Managers. It is therefore possible that Subscribers who have submitted applications in this tranche may not be allocated any Shares or that they are allocated a number of Shares lower than the number of Shares mentioned in their subscription application.

Discretionary allocation: The Company and the Selling Shareholders reserve the right to allocate Offer Shares in the Second Tranche in any way as they deem necessary. It is therefore possible that Subscribers who have submitted applications in this tranche may not be allocated any Shares or that they are allocated a number of Shares lower than the number of Shares mentioned in their subscription application.

Unsubscribed Offer Shares: If all the Offer Shares allocated to the Second Tranche are not fully subscribed, then the Offer will be withdrawn.

Multiple applications

A Subscriber should only submit an application for Offer Shares under one tranche. Multiple applications within one tranche will be aggregated under a single NIN (and the minimum threshold outlined above under “allocation policy” will apply to such NIN). In the event a Subscriber applies for subscription in more than one tranche, the Receiving Banks and the Joint Lead Managers may deem one or both applications invalid.

Emirates Investment Authority

(Preferential allocation rights equal to 5% (five percent) of the Offer Shares)

A number of the Offer Shares representing 5% of Offer Shares, deducted from the Second Tranche, are reserved for the EIA, in accordance with the requirements of article 127 of the Companies Law. Offer Shares allocated to the Emirates Investment Authority under this preferential rights regime will be deducted from the total size of the Second Tranche. If the EIA does not exercise its preferential rights to apply for Offer Shares then those Offer Shares will be available to other Professional Investors for application.

Pensions and Social Security Fund of Local Military Personnel

(Preferential allocation rights equal to 5% (five percent) of the Offer Shares)

A number of the Offer Shares, representing 5% of Offer Shares, deducted from the Second Tranche, are reserved for the Fund, in accordance with the requirements of Resolution No. 2 of 2022 issued by the Supreme Fiscal Committee concerning the subscription in shares of companies owned by the Government of Dubai. Offer Shares allocated to the Fund under this preferential rights regime will be deducted from the total size of the Second Tranche. If the Fund does not exercise its preferential rights to apply for Offer Shares then those Offer Shares will be available to other Professional Investors for application.

Important notes

Subscribers in the First Tranche will be notified of whether they have been successful in their application for Offer Shares by means of an SMS from DFM through Dubai CSD.

Upon Listing of the Shares on the DFM, the Shares will be registered on an electronic system applicable to the DFM through Dubai CSD. The information contained in this electronic system will be binding and irrevocable, unless otherwise specified in the applicable rules and procedures governing the DFM.

Subject to the approval of the Authority, the Company reserves the right to alter the percentage of the Offer Shares which are to be made available to either the First Tranche or the Second Tranche.

Second Section: Key details of the Company

1. Overview of the Company

Name of the Company:

Emirates Central Cooling Systems Corporation PJSC

Primary objectives of the Company:

The objectives of the Company, pursuant to the Law No.22 and its articles of association are as follows:

- 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;
- To own, manage, operate, maintain and lease central and/or standalone cooling systems and related transmission and distribution networks and other equipment;
- To establish joint ventures with any third parties for the objectives stipulated above;
- 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
- any other objectives that may be determined herein.

For achieving the objectives referred to in Paragraph (a), the Company may:

- Contract third parties to establish plants, networks and equipment for producing chilled water in and outside of the Emirate.
- Establish wholly and/or partially owned companies and contribute, directly or indirectly, in companies associated with its objectives both inside and outside the UAE
- 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;
- Invest and employ its funds in any commercial, financial, service or industrial fields.
- Borrow funds and issue bonds or sukuk either secured or unsecured in accordance with the provisions of the Articles of Association.
- 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**")

Major banks dealing with the Company: **Nature of relationship**

Emirates NBD Bank PJSC ("**ENBD**")

HSBC Holdings PLC

Dubai Islamic Bank ("**DIB**")

Abu Dhabi Commercial Bank PJSC ("**ADCB**")

Mashreq bank PSC ("**Mashreq Bank**")

Current accounts, Call deposit accounts and Fixed Deposit accounts extending trade finance facilities and term financings (both Conventional and Islamic products)

Details of Board of Directors:

The Board is expected to consist of the 7 (seven) Board Members below:

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
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Some of the board members hold memberships on the boards of directors of other joint stock companies in the UAE, as follows:

Name	Membership in the boards of directors of other joint stock companies in the UAE
Saeed Mohammed Al Tayer	Managing Director of DEWA Chairman of Emirates National Oil Company PJSC (ENOC) Vice Chairman of the Board of Directors of Emirates Global Aluminium PJSC
Mr. Amit Kaushal	Member of the Board of Directors of TECOM GROUP PJSC

*

No bankruptcy ruling or a bankruptcy arrangement has been issued against any member of the Board of Directors or members of the executive management of the Company.

None of the members of the Board of Directors or the senior management and their first-degree relatives own any shares in the Company.

Summary of current remuneration to the Board of Directors and senior executives

The aggregate total remuneration which is paid to the Board and executive management of the Company was AED 19.4 million in the year ended 31 December 2021 as compared to AED 18.4 million for the year ended 31 December 2020.

2. BUSINESS DESCRIPTION:

Investors should read this section of this Prospectus in conjunction with the more detailed information contained in this Prospectus, including the financial and other information appearing in the Financial Statements, including the related notes, included elsewhere in this Offering.

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 ("**Law No. 3**") and commenced commercial operations on 15 February 2004.

On 14 October 2022, pursuant to Law No. 22 of 2022 (which repealed Decree No. 10 and any other legislation to the extent that it contradicts with its provisions) ("**Law No. 22**"), 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.

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.

District Cooling

District cooling is an efficient energy system for large-scale, high-density developments, such as business districts, airports, university campuses, residential towers, shopping malls and hospitals. The district cooling system relies on a centralised cooling plant that provides chilled water that is used to cool buildings within its connected network. The plant supplies chilled water through a network of underground-insulated pipes.

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 cooling and conditioning systems, as well as distributes and sells chilled water for use in district cooling technologies. As at 31 December 2021, the Group had more than 76 district cooling plants and, subject to completing the announced proposed acquisition of 85% of the district cooling systems of the Dubai International Airport for AED 1.1 billion, which is expected to close on 31 December 2022 ("**Dubai International Airport District Cooling Acquisition**"), the Group will have 81 district cooling plants in its portfolio by the end of 2022, all of which are currently in Dubai and are providing exclusive DCS to some several of Dubai's most iconic key landmarks and developments, including the Dubai International Financial Centre ("**DIFC**"), Burj Al Arab, Dubai Healthcare City, Business Bay, Palm Jumeirah, Jumeirah Beach Residence ("**JBR**"), Ain Dubai & Bluewaters Island, Deira Waterfront, Jumeirah Lake Towers, Discovery Gardens, Ibn Batutta Mall, Jumeirah Village South, Dubai Land Residential Complex, Meydan and other areas across the Dubai. These iconic landmarks and developments demonstrate the diversity of the Group's strategic assets across its well-balanced portfolio.

Furthermore, each of the Group's district cooling plants is typically constructed using a modular asset strategy approach that allows for additional capacity to be added at a later date if required. As a result, the Group is able to spread its capital expenditure over future years in a measured capacity deployment based on project and development requirements. The Group also has the ability to mobilise temporary cooling solutions to deliver additional cooling load.

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. Given the fact that the real estate landscape in the UAE and GCC region is characterised by high-rise buildings and high-density real estate which ultimately leads to a growing amount of aggregated demand for district cooling, DCS presents the most suited and advantageous solution to deliver and meet such growing demand in a cost effective manner. This is largely due to the fact that district cooling also takes advantage of the use of treated sewage effluent ("**TSE**") water (in lieu of potable water) and allows for the opportunity to reduce peak-time pressure on the electrical grid through thermal energy storage systems. As a result, district cooling has presented an increasingly attractive opportunity in the market, particularly for developers of new projects. The Group has a total of 9 thermal energy storage facilities across its network. .When entering into a new project with a master developer,

the Group enters into a master development or concession agreement with the master developer. These customary agreements are long-term, with service exclusivity, with initial terms that typically commence on the date of the relevant agreement and expire 25 years or more, (after the full Site Demand Load (as defined therein) is delivered), with renewal terms and conditions that can be exercised

for an indefinite number of periods. See “*Material Agreements–General–Master Development Agreements*”. The Company has only delivered three full Site Demand Load contracted under its Master Development Agreements, meaning that the remaining term of the majority of the Master Development Agreements is 25 years or more. The Group currently has master development agreements in force for 23 developments, including agreements relating to the following locations (or developments within such locations): DIFC, JBR, Business Bay, Palm Jumeirah, Jumeirah Lake Towers, Discovery Gardens, International Media & Production Zone, Dubai Production City, Mirdiff, Al Khalil Gate (Al Quoz), Bluewaters, Deira Waterfront, Meydan and others. Apart from master development agreements, the Group also expands its service by entering into standalone agreements with building owners for buildings that are adjacent to concession or development areas. Similar to the Group’s master development or concession agreements, the Group’s standard building owner agreements are typically for 25 years or more, with service exclusivity.

The Group is targeting a market share of approximately 80% of the total connected capacity of the district cooling market in Dubai by the end of 2022 (subject to completing the Dubai International Airport District Cooling Acquisition) (Government of Dubai, August 2022). Connected capacity refers to the cooling capacity that is delivered to the customers under customer service agreements or concession agreements and contracted capacity refers to the cooling capacity signed with master developers and/or building owners under concession agreements and/or service agreements. The Group currently has a network of more than 369 kilometres of insulated pipes, 81 district cooling plants (subject to completing the Dubai International Airport District Cooling Acquisition, which will include five district cooling plants) and serves a connected capacity of approximately 1.4 million refrigeration tonnes (“RT”) with a contracted capacity of approximately 1.5 million RT to more than 1,400 buildings with a diversified client portfolio consisting of (i) master developers, (ii) building owners, and (iii) more than 110,000 customers (including the recent acquisition of Nakheel) consisting of end-users (made up of corporate businesses, retail units and individuals such as apartment owners and tenants).

District Cooling: The Most Sustainable and Suitable Cooling Solution for the Region

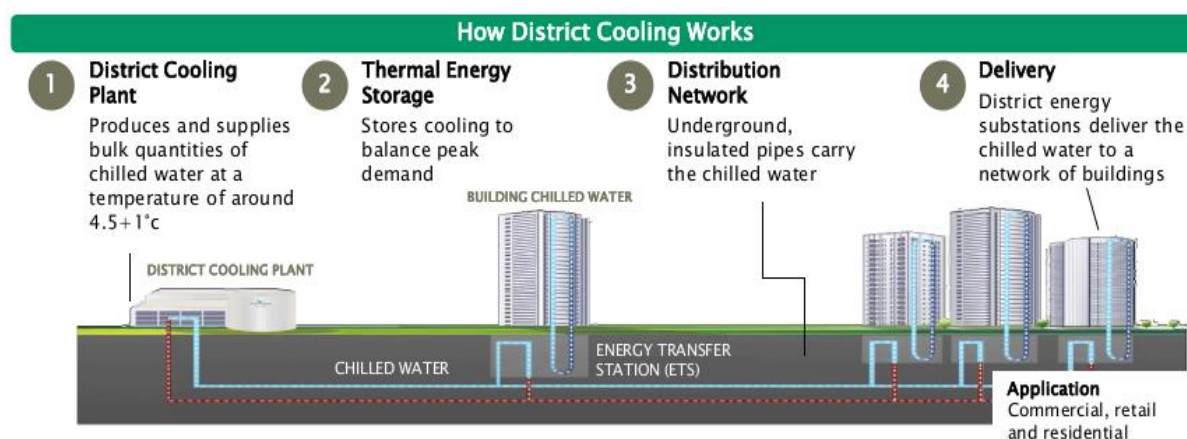
District cooling offers numerous advantages over traditional cooling in the GCC. This is because district cooling technology has inherent advantages for areas of high cooling density—densely populated areas with a heavy demand for air-conditioning. Some of these inherent advantages includes the following, which presents an attractive solution for many GCC countries seeking to urbanise and grow rapidly:

- **Higher Return on Investment:** District cooling has lower investment costs and operating costs than traditional air-cooled chillers. Additionally, the use of DCS results in approximately 50% reduction in the electricity consumption of the building owners due to the fact that DCS has the lowest energy consumption amongst all cooling technologies, (according to DC Pro Analysis) which can reduce energy used for cooling by up to 50% from utilising 0.9 kW to 1.0 kW of energy per RT, compared to 1.6 kW to 1.8 kW for traditional cooling methods. District cooling also has lower deterioration of equipment with a longer life cycle of 30 to 50 years, (with the life cycle past 30 years generally possible through investments in maintenance and repair) compared to traditional air conditioners which typically have a life cycle of 12 to 15 years.
- **Ideally Suited for Real Estate Development:** Cooling is an essential aspect of GCC real estate development. The real estate landscape in the UAE and GCC region, is characterised by high-rise buildings and high real estate density. The continued investments in infrastructure and increasing real estate density had led to a significant and growing amount of aggregated district cooling demand. Adoption of district cooling also results in freeing up significant spaces in buildings that could be put for alternate beneficial usage.
- **Sustainable Cooling Infrastructure and Social Role:** District cooling lowers carbon dioxide (“CO₂”) and other pollutants emissions due to the fact that it consumes up to 50% less electricity than traditional cooling methods. This means that further adoption of district cooling across the UAE and wider GCC is expected to lead to a reduction in power consumption and electricity

system peak load, thus reducing overall tariffs for final consumer, which consequently contributes to the population's purchasing power.

- Low Maintenance and High Service Reliability:** The district cooling solution is efficient and more cost effective to operate and maintain than traditional cooling methods due to its reliance on next generation technology and advanced equipment. This means that district cooling can be operated around-the-clock with a reliable availability of 99.94% (District Cooling Best Practice Guide, IDEA 2008). Furthermore, by outsourcing cooling operations to the Group, developers are able to focus on their core business.

The diagram below briefly illustrates how district cooling works:

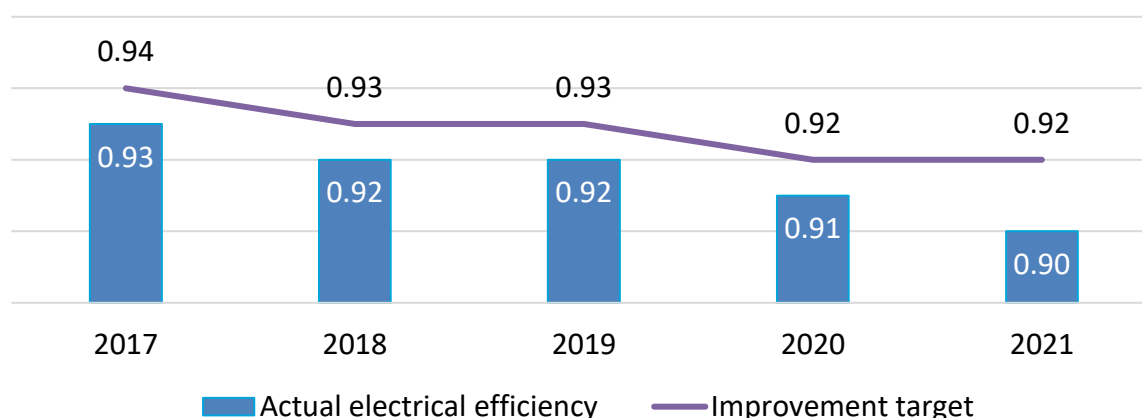


Competitive Strengths

Disruptor of Traditional Cooling Methods with Sustainable District Cooling

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 TSE.

Through centralised distribution of chilled water, district cooling can reduce energy used for cooling by up to 50% from utilising 0.9 kW to 1.0 kW of electricity per RT compared to 1.6 kW to 1.8 kW for traditional cooling methods. The Group has consistently outperformed its electrical efficiency improvement targets. In 2021, the Group estimates that it saved approximately 1.7 billion kWh compared to traditional cooling. The table below sets out a breakdown of the Group's electrical efficiency and its improvement targets (measured in kW/RT) between 2017 and 2021:



Furthermore, district cooling enables more than 50% reduction of CO₂ and hazardous refrigerants when compared to traditional cooling, according to DC Pro Analysis. For further details, see “– *The Group’s ESG Initiatives*”.

Regionally the hot desert climate in the UAE requires cooling as an essential aspect of real estate developments where district cooling’s superior energy efficiency and emissions profiles, coupled with a longer life cycle (compared to traditional cooling methods) provides the most suitable cooling solution. With increasing higher density developments being constructed, district cooling has become more attractive due to its ability to aggregate cooling demand for an entire development. Most of the master developers have continued to outsource the provision of cooling to dedicated DCS providers to focus on their core business and manage capital expenditure for master developments.

The Group’s distinctive operating model within the district cooling industry facilitates a differentiated offering compared to its competitors. By leveraging its large scale, the Group has developed into an integrated owner and DCS provider that utilises in-house operational expertise to achieve an industry standard for a low-cost base and roll-out of advanced digitalisation capabilities. For further details, see “– *Principal Operations—Integrated DCS Provider*”.

The Largest DCS Provider in the World and the Clear Leader in Dubai

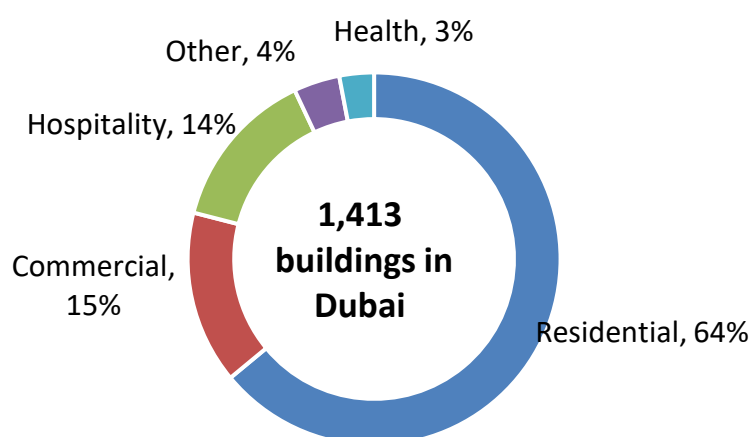
According to the International District Energy Association, the Group is currently the world’s largest DCS provider and it is a clear leading player in the district cooling market in Dubai with a targeted market share of approximately 80% of the total connected capacity of the district cooling market 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 forecast 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. As at 31 December 2021, the Group had a connected and contracted capacity of approximately 1.4 million RT and 1.5 million RT, respectively.

The Group has consistently grown its connected capacity over the years through both greenfield new developments like Business Bay as well as large notable acquisitions, such as the US\$500 million purchase of Palm District Cooling in 2013 (connected capacity of approximately 369,000 RT), which accounted for approximately 36.4% of the Group’s revenue in 2021, and the acquisition of Meydan in 2020 for AED 100 million (site capacity of approximately 382,000 RT). On 27 October 2021, the Company signed a 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.

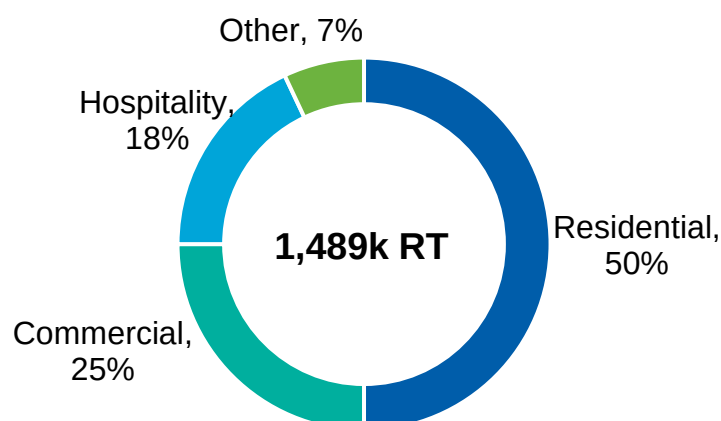
The Group will have 81 district cooling plants by the end of 2022 (subject to completing the Dubai International Airport District Cooling Acquisition) and is the sole and exclusive provider of DCS to some of Dubai’s key landmarks and developments including the following:

- Business Bay, a commercial and business cluster covering more than 64 million square feet, which has a total contracted capacity of approximately 263,000 RT consisting of four cooling plants (with the potential to construct an additional two cooling plants) and connected capacity of approximately 229,000 RT;
- Meydan, a community designed to become an urban, vibrant and mixed-use district that incorporates hotels, a water park and the longest indoor ski slope in the world which has a total site capacity of approximately 382,000 RT; and
- Palm Jumeirah, a unique set of archipelago artificial islands shaped like a palm tree, which has a total contracted capacity of approximately 191,000 RT and connected capacity of approximately 190,000 RT.

The Group is a critical cooling infrastructure provider in Dubai, to a large and diversified customer base of more than 110,000 customers (including the recent acquisition of the district cooling assets of Nakheel and the Dubai International Airport District Cooling Acquisition). As the exclusive DCS provider for several of Dubai's key landmarks and developments, the Group is able to cater to varied project types and customers. The Group provides DCS to core aspects of Dubai's economy, including residential, commercial, healthcare and hospitality buildings. In 2021, the Group provided DCS to 1,413 buildings. Of these 1,413 buildings, 64% were residential buildings, 15% were commercial buildings, 14% were hospitality buildings, 3% were health related buildings and the remaining 4% were other buildings. The Group expects its mix of DCS to be provided to a greater percentage of commercial buildings in the future in connection with and subject to completing the Dubai International Airport District Cooling Acquisition. The diagram below provides a breakdown of the types of buildings the Group served in 2021:



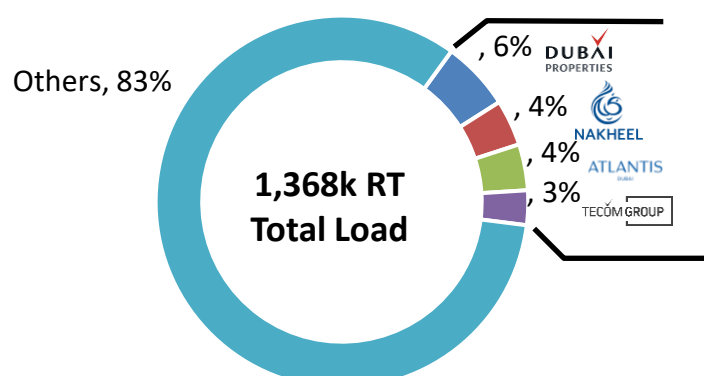
The diagram below provides a breakdown of the Group's targeted connected capacity by types by the end of 2022:



Furthermore, the Group has established relationships with Dubai's key master developers, leading to exclusive service provider rights to the connected area. The Group focuses on long-term service contracts, enabling it to maintain a large client base by being the sole DCS provider to certain connected areas and developments, which in turn ensures that the Group has ongoing business once developments are completed. These service contracts provide a secure and recurring revenue stream for the Group by ensuring that revenues are contracted in the long-term. The servicing exclusivity remains in force irrespective of any subsequent sale or lease of the contracted development. See “— *Principal Operations—Chilled Water Segment—Client Portfolio*”. As at 30 June 2022, the top 10 master

developers of the Group represented 27.5% of the Group's revenue and approximately 26% of the Group's total load.

The diagram below sets out a breakdown of the Group's total load split of master developers and consumers in 2021:



A Fast-growing District Cooling Market with Supportive Government Policies

Dubai has launched a number of initiatives to accelerate its clean energy transition and deliver its carbon neutrality ambitions. H. H. Sheikh Mohammed bin Rashid Al Maktoum issued in 2011 the “Dubai Integrated Energy Strategy 2030” to transform Dubai into a global centre for clean energy and expand its green energy. The Group plays a key role in Dubai's green energy transition process, with district cooling forming a central pillar of the Dubai Integrated Energy 2030 plan, which sets a target of 40% of Dubai's cooling being via DCS by 2030. The district cooling market in Dubai is expected to increase from 18% in 2019 to 40% by 2030 and it is expected to also contribute approximately 13% towards the demand side management (“DSM”) 2030 strategy target in electricity savings.

The growth in connected capacity across the UAE is underpinned by strong growth in residential real estate units and hotel capacity in Dubai, which increased from approximately 686,500 residential units in 2019 to approximately 780,000 residential units in 2021 and from approximately 544 hotel units in 2019 to approximately 567 hotel units in 2021. Moreover, according to Knight Franck, Dubai's residential real estate units and hotel units are expected to increase with a CAGR of 4.2% and 3.9%, respectively, between 2019 and 2025.

The Government in turn supported a dynamic and 100% green vision for Dubai with the “Dubai 2040 Urban Master Plan” that was launched in March 2021 to promote the sustainable development of Dubai. The plan aims to make Dubai the best city to live in the future by developing five of its major urban areas, while preserving up to 60% of Dubai's land area as natural reserves. The Dubai 2040 Urban Master Plan projects an increase in land areas for hotels and tourism by 134% by 2040, as well as an increase in population and daytime population to 5.8 million and 7.8 million, respectively, by 2040. The Government is also targeting an increase in its renewable energy share usage of 25% by 2030, with a longer-term target to achieve 100% clean energy by 2050. The Government expects to achieve this by the establishment of the Dubai Green Fund, which currently has a pledge of AED 100 billion.

Dubai has a solid macroeconomic fundamentals for district cooling due to (i) a resilient and healthy economy undergoing one of the fastest growth rates in the region, (ii) a healthy demographic profile composed of a growing population and continuous expat inflows, (iii) strong growth in the residential and real estate supply, with high density residential units favouring district cooling adoption, and (iv) a rapidly growing hotel capacity and a growing hospitality industry that is fast-recovering from the COVID-19 induced slowdown. In 2021, Dubai had a population of 3.5 million residents, which is expected to grow at a CAGR of 2.5% between 2019 and 2040. Furthermore, Dubai has a strong and healthy economic growth outlook, with GDP growing at 2.7% and 6.2% in 2019 and 2021, respectively, and a

projected GDP growth of 5% by 2023. For more information on the macroeconomic outlook and key trends of Dubai,

In addition to its ambition to host 400 global events per annum by 2025, the Government has taken other pro-active steps to attract tourists and residents, which has placed Dubai as the third most preferred city to move to globally and the top travel destination for 2022. For example, Dubai has taken steps to increase its attractiveness to tourists and residents by creating several visa and residency schemes, being the first city in the world to reopen its borders to international travellers after a six-week lockdown resulting from the COVID-19 pandemic, and achieving a 100% COVID-19 vaccination rate..

In 2018, the District Energy in Cities Initiative from the UN Environment Programme named Dubai as a “Champion City” for its landmark district cooling projects. The UAE therefore has solid macroeconomic fundamentals for district cooling, making it a growth engine for the Group due to the UAE impressive GDP growth rate, which is expected to continue outperforming other GCC countries and its positive demographic outlook for district cooling, with a growing population of expatriates and an increasing number of households. These macroeconomic fundamentals are expected to contribute to the increase in demand for DCS in the UAE and are expected to contribute to the Group’s continued growth.

Sustainability-Centric Business Model Enabling Dubai’s Energy Transition

The Group’s next generation cooling technology and its continued focus on recycling and reusing water, as well as its implementation of smart technologies to reduce cooling usage, has positioned the Group as a key enabler to meet Dubai’s ambitious targets to reduce water and energy usage. Robust governance and social impact are core to the Group’s strategy to deliver on the Group’s environmental focus. For further details, see “– *The Group’s ESG Initiatives*”.

Dubai’s Supreme Council of Energy has set ambitious targets to reduce annual electricity and water usage by 30% by 2030. In order to meet this ambitious target, the Government has outlined an 11-pillars DSM strategy, which includes initiatives to reduce electricity and water demand

A key pillar of the DSM’s 2030 strategy is pillar four, relating to the implementation of efficient cooling solutions to reduce the electricity usage for cooling (with traditional air conditioning representing approximately 70% of total electricity consumption) by covering 40% of cooling demand through DCS by 2030. As the DCS provider with the largest market share in Dubai based on its connected capacity, the Group is positioned to be a key enabler to meeting this target. The Group estimates that in 2021 the Group contributed 1.7 billion kWh savings in electricity compared to when a traditional cooling operator would have provided the Groups cooling service. Dubai’s DSM strategy reported annual savings of 6.4 billion kWh in 2021. Other contributions of the Group to the other pillars of the DSM’s strategy include: (i) building retrofits to use DCS (including the most recently completed Jumeirah Emirates Towers and Jumeirah Beach Group Hotels, which include Burj Al Arab and Jumeirah Beach Hotel, (ii) changing consumer behaviour where the Group is pioneering the utilisation of smart metering systems for end-users, enabling more efficient tracking of DCS usage and management of recycled water. The Group is targeting to reduce its potable water use by increasing the number of cycles in its reverse osmosis system (which is up to 8.7 times) and increasing the use of TSE from 12% in 2021 to over 40% by the end of 2025.

In addition, the Group is focused on delivering social impact and contributing to its communities and employees by implementing a strong health and safety culture and an inclusive workforce and by being an active leader in the community. The Group has an inclusive workforce of more than 30 nationalities with women representing approximately 16% of management positions and approximately 21% of the Group’s head office as of 31 December 2021 and a dedicated Emiratisation programme with approximately 33% Emirati representation in the head office in 2021. The Group has had zero lost time injury incidences from 2004 to 2019, one lost time injury in 2020 and zero lost time injury in 2021, which is reflective of the Group’s strong health and safety measures and safety training programmes. Additionally, the Group has been recognised by the Dubai Chamber Sustainability Network with an Advanced CSR label, for times in a row.

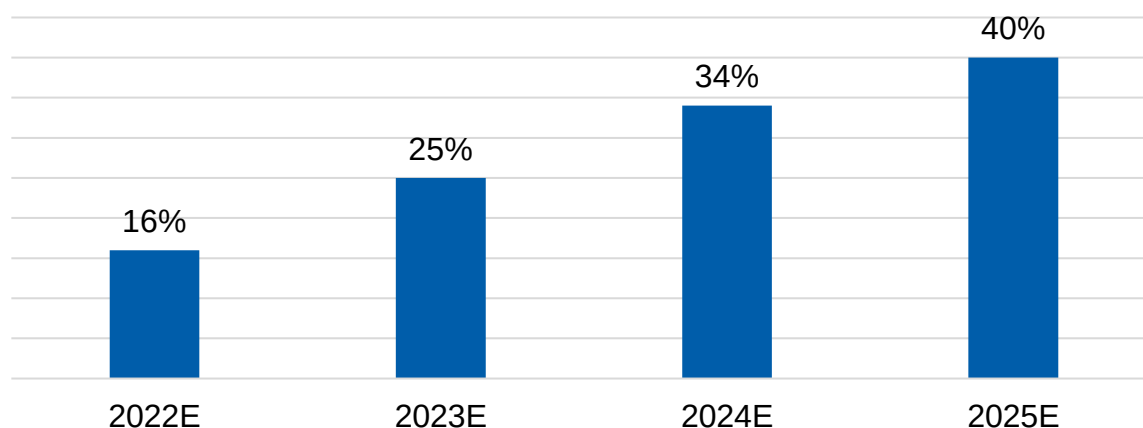
Management and Operational Expertise with Next Generation Technology Disrupting Cooling

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 developed an integrated end-to-end approach to its operations by adopting a low-cost modular approach to project design, incurring capital expenditure only when an incremental load is required. This is enabled by an in-house project management team that supports rapid project deployment capabilities. Once district cooling plants are operational, the Group utilises its 24/7 in-house plant operators to monitor all district cooling plants from its state-of-the-art command control centre ("CCC") that allow for the planning, execution and real time monitoring of its district cooling plants.

By deploying next generation technology, the Group has continued to introduce innovative efficiency-driven measures to consistently improve electrical and water efficiency, outperforming the Group's electrical and water efficiency targets year-on-year since 2017. As a result, the Group has continually optimised its costs by utilising decreasing levels of water and electricity. In 2021, the Group saved approximately AED 8.8 million from its continued improvement in electrical efficiency. The Group believes its current water efficiency key performance indicators ("KPIs") of 1.6 imperial gallon per RT, which has remained the same between 2017 and 2021, indicate an optimal level of water efficiency, with reverse osmosis treatment processes contributing to consistently lowering the water consumption when compared to standard district cooling industrial design that tend to have an average between 2 gallons per RT and 3 gallons per RT.

Furthermore, the Group continues to seek new methods to improve operational efficiency and minimise its cost profile. As one of the largest users of potable water in Dubai, the Group has sought methods to reduce and reuse water to achieve cost saving and contribute to Dubai's DSM strategy. The Group is liaising with the Dubai Municipality to continue developing the necessary infrastructure to be supplied with TSE water. The Group has sought to minimise its use of potable water by improving the number of cycles of water in its system and by replacing potable water with TSE, which is 10 times cheaper. The Group is targeting to increase the use of TSE from an expected 16% by the end of 2022 to 40% by the end of 2025. The below graph sets out the Group's targets for TSE usage:



Resilient, Predictable and High Growth Financial Profile Supported by a Favourable Business Model

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.

The Group has a tariff structure, which is secured by long-term contractual agreements with initial terms that typically commence on the date of the relevant agreement and expire 25 years or more after the full Site Demand Load is delivered (see "Material Agreements—General—Master Development Agreements"), and underpinned by a large fixed charge component (which represented 37.9%, 38.2%

and 37.9% of revenue (for the years ended 31 December 2021, 2020 and 2019) and 77.5%, 74.6% and 78.2% of Adjusted EBITDA (for the years ended 31 December 2021, 2020 and 2019, respectively). As a result of the Group's long-term contractual agreements and large fixed charge component, it has highly predictable cash flows with low variability,

which have driven stable Adjusted EBITDA Margins of 48.9%, 51.3% and 48.4 % of years ended 31 December 2021, 2020 and 2019, respectively.

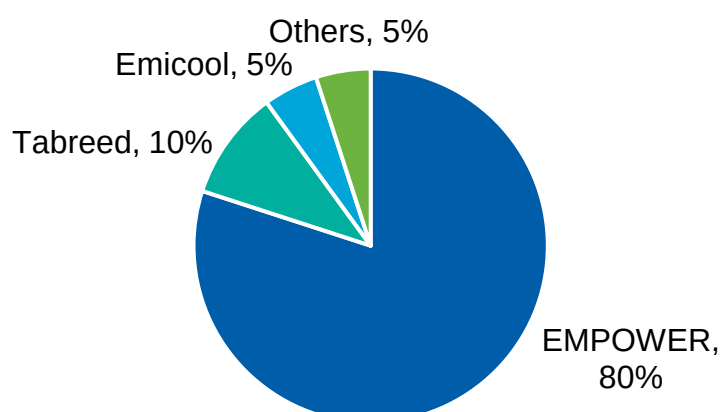
As an operator of critical infrastructure, the Group has been able to deliver strong revenue growth of 6.1% CAGR between 2019 and 2021 and 16.2% growth between 30 June 2021 and 30 June 2022, demonstrating a highly resilient revenue mix despite the COVID-19 pandemic. The Group's long-term contractual agreements with master developers and building owners provide the Group the sole and exclusive rights to provide DCS, securing a lucrative captive pool of demand.

With a moderate leverage profile, the Group has considerable headroom in its borrowing capacity to continue delivering both organic and inorganic capacity growth, which is supported by the highly predictable cash flows, which the Group believes will result in a high growth earnings profile and an attractive dividend pay-outs.

Strategy

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) (Government of Dubai, August 2022) 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. The chart below sets out a breakdown of Dubai's targeted market share by the end of 2022 (Government of Dubai, August 2022 and management estimates):



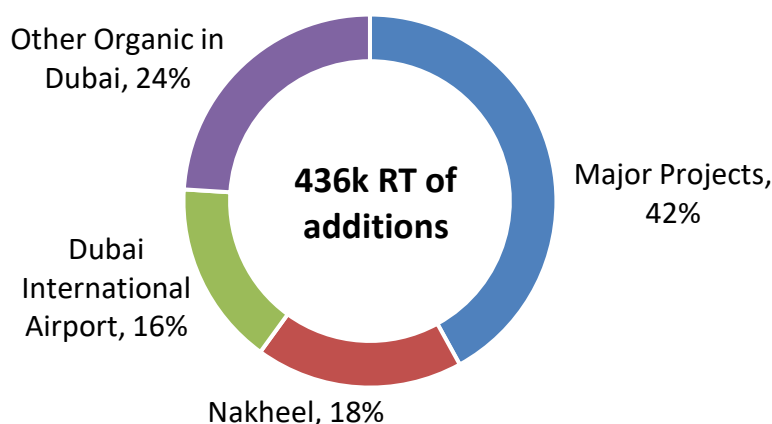
Leveraging its integrated business model, in-house operational expertise, contracts to operate as the exclusive DCS provider and operational capabilities the Group is focused on driving financial performance and growth through a combination of (i) organic and (ii) inorganic opportunities.

The Group's organic growth strategy will be driven by secured RT growth from existing master developments. The Group also has a number of additional organic growth opportunities derived on the back of existing networks and retrofitting adjacent buildings, as well as leveraging its position as preferred DCS provider for projects developed by the Dubai Holding group and Nakheel.

In the short term, the Group is targeting its growth strategy to provide significant growth in revenue of approximately 12% to 13% by the end of 2022 and a connected capacity, reflective of the acquisition of Nakheel's district cooling assets and the Dubai International Airport District Cooling Acquisition. The Group is targeting revenue growth of 6.5% to 7.5% in the medium term. It is targeting its connected

capacity to reach at least 1.8 million RT by 2027, which is reflective of anticipated capacity increases from secured growth from its existing projects. Potential additional growth avenues could take the Group's RT capacity beyond its 2027 targets.

The Group provides DCS to several of Dubai's key landmarks and developments, including Business Bay, Jumeirah Village Circle and Meydan, where the Group has existing exclusivity arrangements with the master developers. The Group's connected capacity from 2019 to 2022 increased by 436,000 RT, representing a CAGR of 8.5% (which includes the growth anticipated from the Dubai International Airport District Cooling Acquisition). Of this connected capacity growth, 42% came from major projects (including Business Bay, Jumeirah Village, DIFC, DLRC and Jumeirah Lake Towers). The chart below sets out a breakdown of the Group's estimated capacity growth between 2019 and the end of 2022:



Furthermore, the Group is targeting to add approximately 370,000 RT of secured growth from its existing master developments to its connected capacity by 2027, meaning its connected capacity is targeted to reach at least 1.8 million RT by 2027. The Group also has potential additional growth avenues that could take the Group's RT connected capacity beyond its 2027 targets with such additional capacity expansions to potentially come from (i) adjacent expansion and retrofitting of existing systems, (ii) new projects, master developments and vertical integration (iii) inorganic opportunities, and (iv) international and regional expansion. See "*Chilled Water Segment—Infrastructure Network*".

The Group aims to deliver incremental growth by leveraging infrastructure at existing developments to expand its network to nearby and adjacent developments, building 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's 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 assessing potential markets for regional expansion, in the medium to long term and may explore other GCC markets including the KSA and Qatar along with markets like

Egypt, that have broad adoption, or potential for adoption, of DCS. The Group believes its balance sheet flexibility, access to capital and regional operational expertise position it well to capitalise on potential acquisition targets. The Group's internal rate of return ("IRR") target in Dubai is in the high-single to low-double digit figures, and with respect to its regional expansion into GCC markets, the Group seeks to meet or exceed its IRR target subject to an appropriate risk spread. The Group's IRR target does not take into account any leverage used to finance any acquisitions. The Group expects to continue to assess all regional expansion opportunities into GCC markets that are in line with its IRR targets and large scale.

The Group is targeting to achieve capacity growth from the Dubai International Airport District Cooling Acquisition (once completed), Business Bay, Dubai Land Residence Complex and Jumeirah Village South. The Group expects these developments, which are comprised primarily of corporate businesses, to further diversify its end-user mix towards an increasing number of corporate businesses that have longer hours of operations, such as the Dubai International Airport which requires 24/7 operational support. As a result of this, the Group targets to grow its equivalent full-load hour ("EFLH") from approximately 1,500 in 2021 to more than 1,800 in the medium term. The Group is also targeting to reach at least 1.8 million RT of connected capacity by 2027 as a result of secured growth connected capacity (with a CAGR of 6.5% to 7.5%).

The Group's adjusted EBITDA margin was 48.4%, 51.3% and 48.9% in the years ended 31 December 2019, 2020 and 2021. The Group is targeting an EBITDA Margin in the range of 48% to 50% in the medium term, driven by its strategy for organic and inorganic growth and its continued focus on operational efficiencies.

History and Development

An overview of the principal events in connection with the history and growth of the Group's business is set out below:

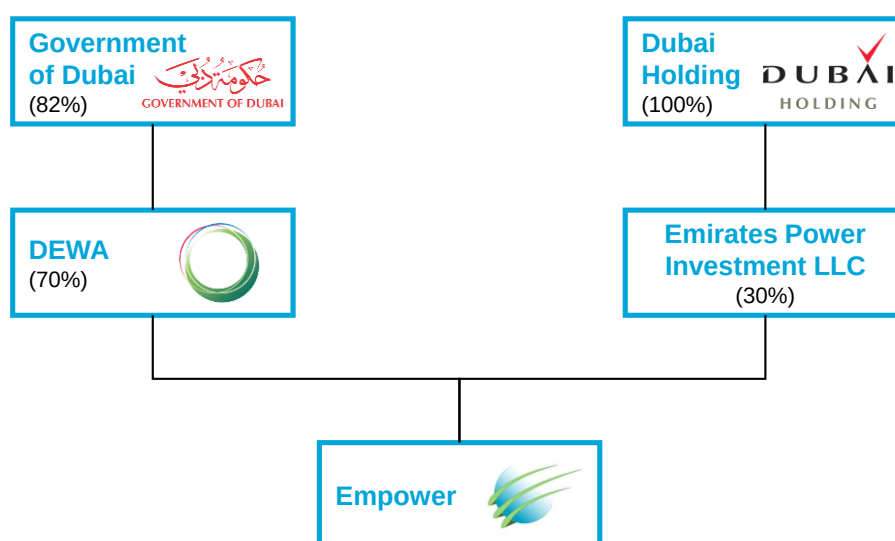
- **2003:** The Company was established by Royal Decree as a joint venture between DEWA and the Free Zone Authority with a shareholding of 50% each.
- **2006:** The Group implemented DCS in large-scale real estate developments.
- **2007:** The Group established the UAE's largest pre-insulated pipe manufacturing facility.
- **2009:** The Group added 188,000 RT in connected capacity since 2006, representing a 104% CAGR in three years in connection with the rapid increase of Dubai's real estate. Pursuant to a direction from the Government on 23 November 2009, DEWA acquired an additional 20% equity stake in the Company at a cost of AED 367 million, increasing its shareholding to 7%.
- **2011:** The Group introduced and increased the use of recycled treated sewage water.
- **2013:** The Group designed the district cooling guide for building owners to promote eco-friendly technologies. The Group completed the largest district cooling acquisition in the market by acquiring Palm District Cooling ("PDC"). PDC is the exclusive DCS provider to certain concessions, which includes Palm Jumeirah (Crescent and Trunk), Jumeirah Lake Towers and Gemplex Buildings, Discovery Gardens and Ibn Battuta Mall and Gate Complex.
- **2015:** The Group's Business Bay district cooling plants became the first in the region to achieve Gold certification Leadership in Energy and Environmental Design ("LEED").
- **2016:** The Group was chosen as a partner of UNEP and special advisor for its "District Energy in Cities" global initiative.
- **2018:** Dubai was crowned as the "Champion City of District Cooling" by IDEA. The Group received the Innovation Award for the "360° Solution for Metering Artificial Intelligence (AIMS 360)". The Group acquired the Al Barari development district cooling plant.

- **2019:** The Group started the construction of its new headquarters building with cost outlay of AED 320 million. The Group established the parallel working environment (the “PWE”) system to enhance its CCC and launched a pilot of the world’s first unmanned district cooling plant. The Group received the Innovation Award Honourable Mention for its “Intelligent Delta-T Analyzer & Detector” technology.
- **2020:** The Group saved a total of 349 million gallons of potable water through the use of TSE. The Group acquired Meydan district cooling plants, adding another 382,000 RT to the Group’s future potential capacity. In addition, the Group connected the world’s tallest ferris wheel, Ain Dubai, to its district cooling network. The Company was awarded the “Company of the Year” Golden Bridge award in the energy and utilities category for its practical innovations in developing the district cooling industry in the world.
- **2021:** The Group completed the acquisition of Nakheel district cooling plants for AED 674 million, which included 18 district cooling plants (two of which are not yet ready for connection but are included in the Master Development Agreement, more than 6,500 active customers and 14 active projects which added an additional 88,000 RT to the Group’s capacity. On 27 October 2021, the Company signed a heads of terms agreement with Dubai Aviation City in relation to the Dubai International Airport District Cooling Acquisition, which, upon completion, will add an additional connected capacity of approximately 70,000 RT capacity to the Group’s network.
- **2022:** The Dubai Development Authority assigned its ownership interest in the Company to Emirates Power pursuant to the Decree No. 19 of 2022. The Dubai International Airport District Cooling Acquisition for which heads of terms have been entered into, is expected to be completed in 31 December 2022. The Group commenced operation of its new cutting edge Za’abeel district cooling plant. The Group received two gold awards from the IDEA for the categories “Number of Buildings Committed” and “Total Building Area Committed”.

Principal Shareholders

Corporate Structure

The Group’s current corporate structure is set out below:



DEWA

DEWA was created in 1992 as a result of the merger of the Dubai Electricity Company and the Dubai Water Department, which were each established in 1959 by H.H. Sheikh Rashid bin Saeed Al Maktoum, the then Ruler of Dubai. Prior to the establishment of DEC and DWD, there were no specific authorities responsible for power generation and the supply of potable water in Dubai. The merger of the two

entities brought the provision of these essential public utilities within one commercial organisation under the control of the Government as its sole owner. Pursuant to a direction from the Government on 23 November 2009, DEWA acquired an additional 20% equity stake in the Company at a cost of AED 367 million, increasing its shareholding to 70% and Law No. 3 was enacted as an amendment to the previous law establishing the Company (Decree No. 10). Pursuant to Ruler of Dubai law No. 27 of 2021, which came into effect on 30 December 2021 (and repealed Ruler of Dubai Law No. (1) of 1992 concerning the Formation of Dubai Electricity and Water Authority), DEWA was converted to a public joint stock company.

On 12 April 2022, the Government listed a total of 9 billion ordinary shares of DEWA on the DFM, representing 18% of DEWA's issued share capital, which generated approximately AED 22.3 billion (US\$ 6.1 billion) of gross proceeds, including commitments from cornerstone and strategic investors amounting to approximately AED 13.8 billion (US\$ 3.8 billion). The listing of DEWA on the DFM represents a historical moment in the region due to it being the largest IPO to date in the Emirate of Dubai, the first in the government utilities sector and the largest in the Middle East and North Africa since Saudi Aramco's US\$29.4 billion IPO in 2019. As at 13 October 2022, DEWA was the largest company listed on the DFM with a market capitalisation of approximately US\$ 33.8 billion.

The Group receives all of its requirements for electricity and water from DEWA on arm's-length, market terms and at standard commercial rates. DEWA brings in significant value by contributing towards the efficient operations of district cooling plants through its extensive experience in building and operating large power plants and extensive distribution network with a customer base of around 670,000. DEWA directly benefits by being the exclusive electricity and water utility services provider to the Group for its district cooling plants.

Emirates Power

The Company is 30% owned by Emirates Power, an indirectly wholly-owned subsidiary of Dubai Holding LLC. With operations in 13 countries across 10 sectors, Dubai Holding is a diversified holding company and one of the UAE's largest diversified conglomerates, managing more than AED 125 billion of assets and employing more than 20,000 people representing approximately 120 different nationalities. Additionally, Dubai Holding is a strategic and financial-oriented investor that plays a crucial role in diversifying Dubai's economy and driving innovation and economic development. Operating through five business verticals focused on asset management and leasing, residential developments, management of hospitality and entertainment assets, as well as a dedicated investment arm, Dubai Holding has extensive experience and know-how in managing complex and ground-breaking real estate projects, including several of Dubai's key assets and landmarks (including master-planned communities such as Business Bay, Mirdiff Buildings Project and Al Quoz Jumeirah Hospitality Project.) and its portfolio companies have market-leading positions in the above-mentioned business verticals.

Relationship with the Government

The Company was Initially Formed by Government Decree

The Company was established on 23 November 2003 as a joint venture between DEWA (which in turn is 82% owned by the Government) and the Free Zone Authority pursuant to Decree No. 10 and commenced commercial operations on 15 February 2004. Pursuant to a private agreement, dated 1 January 2005 entered into between the Company, the Free Zone Authority and TECOM pursuant to which the ownership interest of the Free Zone Authority in the Company was assigned to TECOM, an indirect subsidiary of Dubai Holding.

Pursuant to a direction from the Government on 23 November 2009, DEWA acquired an additional 20% equity stake in the Company for a consideration of AED 367 million increasing its shareholding to 70% and Ruler of Dubai Law No. (3) of 2010 ("**Decree No. 3**") was enacted as an amendment to Decree No. 10. On 9 May 2022, the shareholding interest of TECOM in the Company was transferred to Emirates Power (another indirect subsidiary of Dubai Holding).

Government as Indirect Majority Owner

Following the Offering, the Government will continue to be a major indirect shareholder and majority ultimate owner of the Company (through DEWA). Through the Government's 82% ownership in DEWA and DEWA's holding of the majority of shareholder votes at a general meeting of the Company's shareholders, the Government has the ability to indirectly control the strategy, operations and management of the Company. The Government also has the power to regulate the Company's activities. For further information on the Government's regulations applicable to rate setting and the licence regime

Government as Grantor of Land and Rights of Way

With the exception of lands on Nakheel developments where the land is leased at a nominal fee of AED 1 for the term of the lease (e.g., up to 30 years) and lands relating to certain Dubai Holding group entities (see "Related Party Transactions—Relationship with Dubai Holding—Land"), the lands owned by the Group are lands granted by the Government. For further information see "Risk Factors—Risk Factors Relating to the Group—The Group may have the regulatory obligation to pay certain fees in connection with the change in status of certain of its lands upon completion of the Offering" and "Material Agreements—Irrevocable Guarantee Agreement".

Principal Operations

The Group is organised into business units based on their products and services. The two reportable operating segments are as follows:

- **Chilled Water:** the Chilled Water segment constructs, owns, assembles, installs, operates and maintains cooling and conditioning systems. In addition, the Chilled Water business distributes and sells chilled water for use in district cooling technologies; and
- **Pre-insulated Pipe:** the Pre-insulated Pipe segment is involved in manufacturing, assembly and selling activities relating to the expansion of the Group's Chilled Water business.

Chilled Water Segment

The Group's core business activity is the provision of DCS in Dubai. The Group's chilled water reporting segment recorded external revenue of AED 2.46 billion in 2021 compared to AED 2.25 billion in 2020 and AED 2.18 billion in 2019.

Infrastructure Network

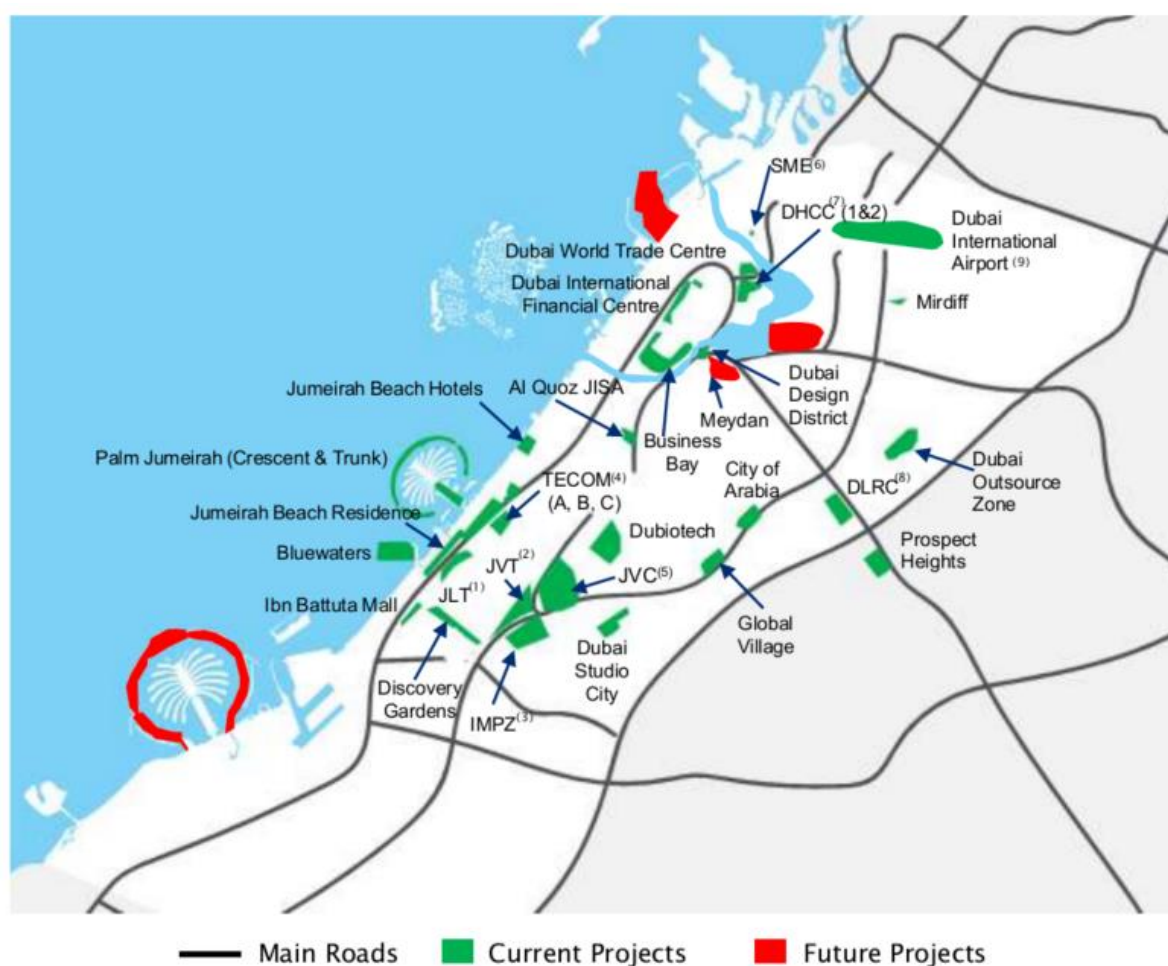
A strength of the Group is its ability to continuously differentiate itself from its competitors by leveraging its large infrastructure scale, integrated business model, in-house expertise, exclusivity contracts and operational capabilities to exclusively serve its large and diversified client portfolio consisting of (i) master developers within Dubai, such as the Government, Dubai Holding, Dubai Properties LLC, TECOM, Jumeirah, Meraas, Nakheel, Dubai International Financial Centre, Dubai Airports, Dubai Multi Commodities Centre, Dubai World Trade Centre, Dubai SME, Galadari Group and Al Habtoor Group, (ii) building owners, and (iii) more than 110,000 customers (including the recent acquisition of Nakheel and the Dubai International Airport District Cooling Acquisition). The Group currently serves most of the landmarks and developments in Dubai and will have a market share of approximately 80% of the total connected capacity of the district cooling market in Dubai by the end of 2022 (subject to completing the Dubai International Airport District Cooling Acquisition) (Government of Dubai, August 2022). All of the Group's district cooling plants, other than those relating to the Dubai International Airport District Cooling Acquisition, are entirely owned and operated by the Group's in-house operation and maintenance ("O&M") team of dedicated plant operators located onsite on a full-time basis. The Group has advanced digitalisation capabilities that enables the Group's plant network to be controlled by a state-of-art world-class CCC through an advanced, high-performance smart network that are fully integrated with local SCADA systems capable of enabling auto mode and remote operation via the CCC and PWE system.

In total, the Group's owned and operated district cooling plants that have an aggregate connected capacity of approximately 1.4 million RT as of 31 December 2021, which represents a CAGR of 11.6% between 2019 and 2021. On November 2021, the Group announced that it is targeting to add an

additional connected capacity of approximately 70,000 RT upon completion of the Dubai International Airport District Cooling Acquisition, which will take the Group's connected capacity to approximately 1.5 million RT by the end of 2022 (with a CAGR of 8.5% between 2017 and 2022).

The Group's presence across Dubai and its established relationships with master developers enable it to facilitate the connection of additional projects that are adjacent to the Group's existing networks.

The Group aims to secure additional growth from the extension of existing master developments, and it expects to add a connected capacity of at least 370,000 RT as medium-term target based on secured growth capacity, plus additional RT capacity that may crystallize from the Group's growth avenues and expansion projects. Out of the 370,000 RT envisaged as part of the Group's secured growth, approximately 213,000 RTs, or 58%, will come from three main developments, namely: Business Bay (with a site capacity, connected capacity and contracted capacity of 342,000 RT, 229,000 RT and 263,000 RT, respectively), Dubai Land Residence Complex with a site capacity, connected capacity and contracted capacity of 120,000 RT, 31,000 RT and 40,000 RT, respectively) and Jumeirah Village South (with a site capacity, connected capacity and contracted capacity of 256,000 RT, 58,000 RT and 76,000 RT, respectively). The Group has other potential additional growth avenues that could take the Group's RT connected capacity beyond its medium-term targets with such additional capacity expansions to potentially come from vertical integration (such as the Dubai Maritime City, Deira Waterfront Phase 2 and the Island, which currently have a site capacity of 65,000 RT, 26,000 RT and 18,000 RT, respectively). The following chart illustrates the Group's current and future footprint across Dubai's iconic landmarks and developments:



Iconic Landmarks and Developments with Worldwide Recognition

A key strategy of the Groups is its continued focus on key master developers through the servicing of its long-term contracts, with renewal terms and conditions that can be exercised for an indefinite number

of periods. This has enabled the Group to contractually secure and maintain a diversified base of long-term relationships with master developers, such as Dubai Holding and Nakheel. This distinct infrastructure-based business model has also enabled the Group to harness captive demand pools, which has led to the Group becoming the sole and exclusive provider of DCS to some of Dubai's most renowned iconic landmarks and developments. The Group's notable district cooling plants developed through the servicing of its master development and concession agreements include:

- **Business Bay:** Business Bay is commercial and business cluster being developed along the new extension of the famed Dubai creek extending from Ras Al Khor to Sheikh Zayed Road. Business Bay is spread over an area of 64 million square feet and provides a conducive environment and infrastructure for businesses from around the world to establish their local, regional and international headquarters. Business Bay is expected to feature more than 240 buildings when completed, with a total site capacity of approximately 342,000 RT consisting of four cooling plants (with the potential to construct an additional two district cooling plants), which will make it the world's largest urban district cooling development, according to IDEA. The Group is the sole and exclusive DCS provider to the entire development of Business Bay, with a total contracted and connected capacity of approximately 263,000 RT and 229,000 RT, respectively.
- **DIFC:** DIFC is a leading international financial hub in the Middle East and Africa region and designated as a financial free zone designed to create a unique financial services cluster economy for wealth creation initiatives. DIFC has offices, residential and retail space spread more than 25-27 million sq. ft. of gross floor area. DIFC has a total site capacity, contracted capacity and connected capacity of approximately 107,000 RT, 85,000 RT and 85,000 RT, respectively. The Group is the sole and exclusive DCS provider to the entire development of DIFC.
- **Palm Jumeirah:** The man-made tree-shaped Palm Jumeirah island, known for its luxury hotels (such as the well-known Atlantis, along with numerous international hotel chains), luxury residential complex and upmarket restaurants, is an archipelago of artificial islands in Jumeirah, with a total site capacity, contracted capacity and connected capacity of approximately 225,000 RT, 191,000 RT and 190,000 RT, respectively. The Group is the sole and exclusive DCS provider to Palm Jumeirah.
- **Burj Al Arab, Jumeirah Beach Hotel and Marsa Al Arab:** Burj Al Arab is the iconic sail-shaped Dubai hotel situated on its own island with its wave-shaped adjacent resort hotel counterparty, Jumeirah Beach Hotel. Burj Al Arab, Jumeirah Beach Hotel and Marsa Al Arab have a collective total site capacity and contracted capacity of approximately 29,000 RT and 29,000 RT, respectively. The Group is the sole and exclusive DCS provider to the Burj Al Arab and Jumeirah Beach Hotel.
- **JBR:** JBR is a seaside development spread more than 22 million sq. ft. of vacant land along the Jumeirah beach coastline. It is a largest single-phase residential and commercial project in the world. JBR has 36 residential towers with more than 7,500 housing units, four hotel towers and retail space of around 400 retail outlets. JBR has a total site capacity, contracted capacity and connected capacity of approximately of 85,000 RT, 85,000 RT and 84,000 RT, respectively. The Group is the sole and exclusive DCS provider to the entire development of JBR.
- **DHCC:** DHCC is a renowned location of choice for quality healthcare and an integrated centre of excellence for clinical and wellness services, medical education and research. It is located in Um Hurair Area, Dubai. DHCC is dedicated to the academic medical centre and the medical cluster. DHCC has a total site capacity, contracted capacity and connected capacity of approximately 120,000 RT, 44,000 RT and 38,000 RT, respectively. DHCC has a total site capacity of approximately 120,000 RT. The Group is the sole and exclusive DCS provider to the entire development of DHCC.

- **Ain Dubai & Bluewaters Island:** Ain Dubai is the world's biggest and tallest ferris wheel, located on Bluewaters Island, Dubai. Ain Dubai can carry up to 1,750 passengers in its 48 hi-tech cabins and provide views of several of Dubai's key landmarks such as Burj Al Arab, Palm Jumeirah and the Burj Khalifa. Bluewaters Island is an artificial island off the JBR coastline consisting of 10 apartment buildings which also include, four penthouses and 17 townhouses. Ain Dubai and Bluewaters Island have total site capacity, contracted capacity and connected capacity of approximately 25,000 RT, 20,000 RT and 22,000 RT, respectively. The Group is the sole and exclusive DCS provider to the entire development of Ain Dubai and Bluewaters Island.
- **Dubai International Airport:** Dubai International Airport, which has a total site capacity of approximately 110,000 RT, is the primary international airport serving Dubai and has consistently been the world's busiest airport by international passenger traffic since 2014. On 27 October 2021, the Group signed a heads of terms agreement with Dubai Aviation City in relation to the Dubai International Airport District Cooling Acquisition, which will, upon completion, add an additional connected capacity of approximately 70,000 RT to the Group's network.

These iconic developments demonstrate the diversity of the Group's strategic and project creation assets across its well-balanced portfolio. The Group has been able to successfully meet the capacity demand of each landmark and development. Furthermore, the Group's unique modular asset strategy approach to project development and design enables it to spread its capital expenditure across future years in a measured capacity deployment that is based on project and development requirements, which can typically take up to six months.

Operational Facilities

As of 31 December 2021, the Group had a total site capacity, connected capacity and contracted capacity of approximately, 3 million RT, 1.4 million RT and 1.5 million RT, respectively. The Group expects this increase to be largely driven by higher demand and the consolidation of Dubai International Airport's district cooling system, which, upon completion of the Dubai International Airport District Cooling Acquisition, will add an additional connected capacity of approximately 70,000 RT.

Operations and Maintenance Strategy

The Group has operated and maintained all of its district cooling plants in-house since it was established. During this time, it has experienced no major outage of supply interruption. This strong operating track record is underpinned by:

- comprehensive maintenance plans, including rigorous predictive and preventive maintenance schedules that cover the full expected life of the relevant assets; and
- a stand-by team to address any maintenance needs and emergency and recovery teams to deal with any outages, as well as critical equipment redundancy.

The Group's district cooling plants are staffed on a 24/7 basis by its trained operational workforce. The Group provides regular operational training and development programmes and has a dedicated centralised performance management team that monitors plant performance and aims to enhance power efficiencies. The Group uses supervisory control and data acquisition ("**SCADA**") software systems to ensure integrated control and monitoring of all major equipment in its district cooling plants. See "*Information Technology*".

Client Portfolio

The Group has a strong and highly diversified client portfolio comprising of (i) master developers, (ii) building owners, and (iii) end-users, made up of corporate businesses and individuals, such as apartment owners and tenants. In 2021, the Group's 10 largest master developers from the Chilled Water segment accounted for 26.4% of the Group's Chilled Water segment revenue and approximately 26% of the Group's total load. Approximately 83% of the Group's total load is provided to end-users, consisting of corporate businesses, apartment owners and tenants.

With respect to master developers and building owners, the Group's infrastructure-based business model enables it to harness captive demand pools through long-term exclusive agreements with certain master developers and building owners, which provides the Group with highly visible revenue streams with limited variability. Furthermore, any real estate property with dues that are unpaid are restricted from being transferred. This business model allows the Group to maintain a large and diverse client portfolio, which provides contractual security that the Group has ongoing business once developments are completed. These long-term servicing contracts also provide a secure revenue stream for the Group by ensuring that revenues are contracted in the long-term. The Group believes that the main advantages associated with its long-term contracts are: (i) predictability of offtake; (ii) commitment of master developers before capacity is installed; (iii) margin protection with respect to inflation and related cost escalation factors; and (iv) overall reduction of market driven commodity risk through variable components in its tariffs.

Below are further specific details on the Group's client portfolio:

- **Master developers:** Master developers are responsible for the full development lifecycle of large-scale developments sites. Generally, upon completion of certain developments, the Group enters into master development agreements or concession agreements with master developers, which grant the Group the sole and exclusive right to provide DCS to and within a development for an initial term of 25 years, (which typically commences once full Site Demand Load is delivered) subject to certain exceptions, see *Material Agreements-General-Master Development Agreements*, with renewal terms and conditions that can be exercised for an indefinite number of periods. This exclusivity remains in force irrespective of any subsequent sale or lease of the development. Furthermore, any new capacity developments under the exclusivity agreements are granted to the Group, allowing for captive demand. For further information, see "*Material Agreements –General–Master Development Agreements*".
- **Building owners:** Building owners are the owners of specific buildings within a large-scale development. The Group often expands its DCS by entering into standard building owner agreements with certain building owners or developers to supply DCS to buildings that are adjacent to concession or development areas. Similar to the master development agreements or concession agreements, the standard building owner agreements grant the Group the sole and exclusive right to provide DCS to and within the building. Under the independent building owner agreements, the term typically expires 25 years after the Group makes available to the building the maximum amount of refrigeration capacity. The Group has been able to expand its DCS to building owners given that building owners (who sell land plots to subsequent purchasers) enter into land sale agreements or sales and purchase agreements, which require (as a condition of sale) the use of the Group's DCS in respective land sale agreement or sale and purchase agreements as applicable.
- **End-users:** End-users include corporate businesses and individuals such as apartment owners and tenants. The Group also enters into open-ended direct agreements with certain end-users, such as corporate businesses and individuals (such as apartment owners and tenants) under its standard terms and conditions, which govern the type of services to be provided, the use of DCS, access and damage to the Group's district cooling plants and equipment. The Group's main obligations under its standard terms and conditions are to: (i) produce and distribute chilled water; (ii) ensure that it furnishes a continuous supply of chilled water whose temperature is maintained at a certain level; (iii) service, maintain and operate the district cooling plants and equipment, at its own expense; and (iv) make periodic inspections, tests and calibrations of its metering equipment.

End-user consumption is calculated as consumption hours (RT) as recorded by measuring mechanism times agreed rate in force. End-users are charged a reconnection charge for disconnected service. The metering systems are read on a monthly basis. End-users are billed in accordance with the meter readings and the terms of the relevant contract and are typically invoiced on a monthly basis. About 90% of payments received by the Group are made by end-

users through bank transfers, cheque deposits in cash deposit machines and other smart solutions, such as e-channels and exchange houses.

Buildings

As at 31 December 2021, the Group served 1,413 buildings through its 76 district cooling plants and had over 2,044 million RT per hour produced and delivered over its 369 kilometres long network.

Tariff Structure

The Supreme Council of Energy is responsible for approving tariffs for DCS. Tariffs have remained the same since the Company's inception other than to reflect the changes to electricity and water input costs in 2008 and 2011 (which were done on a 100% pass-through basis). Any proposed change to the Group's pricing structure is subject to the approval of the Supreme Council of Energy. The Group's tariffs model consists of (i) fixed charges, which are collected regardless of consumption and (ii) variable charges that vary depending on consumption hours and on a pass-through mechanism, by incorporating costs of water and power and fuel surcharge. Fuel surcharges are subject to change on a monthly basis and the Group has changed the fuel surcharge tariff as and when the change has occurred, and such fuel surcharge changes are charged on top of the base tariffs, as was the case in 2008 and 2011. Furthermore, in 2011, the Group implemented a fuel surcharge in connection with DEWA's fuel surcharge during the same period.

The Group's fixed charges consist solely of the demand charge, which is the set rate for the provision of DCS per RT. The demand charge set by the Group has not increased from AED 750 since its inception, but the demand charge for the Group's acquired assets ranges from AED 750 to AED 900. In both cases, the Group has not increased demand charges. The demand charge is a product of the set demand rate (AED per RT) and the demand load (in RT). The current demand rate for demand load of AED 750 per RT has been in place for over five years. 37.9% of the Group's revenue was derived from demand charges in 2021. The Group structures its fixed charges to ensure that it can recover its capital expenditure.

The Group receives payments in the form of (i) a demand charge and a consumption charge from any owner and/or developer, including the district developer, of a building within the relevant district and (ii) a demand charge and/or consumption charge from end-users. Once the Group delivers the demand load on the mutually agreed date, it also has the right to charge a "shortfall" demand charge payable by the master developer each year for the difference between the aggregate building demand load and the total demand load for the site.

The Group's variable charges are comprised of the following:

- **Consumption charge:** is the charge applied per consumption hour as a product of the consumption charge rate and the number of consumption hours. The consumption charge is calculated based on meter readings recorded by equipment installed at each premise. As such, increases in fuel surcharge, electricity and water costs are passed through to the customer such that the Group's margins are not directly impacted by such increases. This has enabled the Group to continue to improve efficiency without the need to exercise a rate increase in its customer contracts. 52.4% of the Group's revenue was derived from consumption charges in 2021
- **Other charges:** include connection charges, demand surcharges (such that if a customer's demand exceeds 105% of the agreed cooling load, a surcharge rate of 1.3 times the demand charge is imposed on each RT exceeded), temperature surcharge for low Delta T (such that if customers fails to maintain the agreed minimum temperature differential between the chilled water supplied by the DCS provider and the water that is returned from the customer, they are charged an increased rate fee for each degree (measured in Fahrenheit and/or Celsius) below the minimum temperature differential), meter maintenance, unit owner connection charge, sales of insulated pipes and fittings and disconnection charges. 3.7 % of the Group's revenue was derived from other charges in 2021

In addition, the Group's standard contractual provisions provide flexibility for the application of annual consumer price index ("CPI") adjustments for both demand charges and consumption charges, however the Group has not exercised this option since its inception. If the Group decides to exercise this option in the future, it will be required to seek approval from the Supreme Council of Energy for any such CPI-related increase to its charges.

The following table sets out a breakdown of the Group's tariffs:

Charge	Period	Rate
Consumption charge (AED/Ton-hour) (Revision in consumption charge has been made due to increase in DEWA's tariff for electricity and water)	2011 onwards	AED 0.568
Demand charge (AED/RT/Annum) ⁽¹⁾	2003 onwards	AED 750-900
Connection fee (building level)	Depending on the location of ETS room and Network	AED 2,000-2,500 per ton
Connection fee (individual units)	One time charge	AED 2,000 per unit
Fuel Surcharge (AED/Ton-hour)	2011 onwards	AED 0.047-0.083

Note:

(1) The demand charge set by the Group has not increased from AED 750 since its inception, but the demand charge for the Group's acquired assets is AED 900. In both cases, the Group has not increased demand charges.

89.1% of the Group's revenue is covered by fixed capacity payments and pass-through demand charges for the three years ended 31 December 2021, 2020 and 2019. Demand charges comprise a large portion of the Group's fixed charges and represented 37.9%, 38.2% and 37.9% of the revenue and 77.5%, 74.6% and 78.2% of the Group's Adjusted EBITDA, for the three years ended 31 December 2021, 2020 and 2019 respectively. Demand for the Group's DCS has increased from 1,154,000 RT in 2019 to 1,367,000 RT in 2021 (with a CAGR of 8.9% between 2019 and 2022), which represents an average addition of approximately 100,000 RT per annum. The consumption charge for the Group's DCS has increased from 1,718, million RTH in 2019 to 2,045, million RTH in 2021 (with a CAGR of 8.5% between 2019 and 2022).

Electricity and Water

The electricity and water supplied to the Group from DEWA comprised 70.5% of its operating costs (including depreciation)/cost of sales in 2021. The Group is not significantly exposed to changes in electricity and water costs and most other costs incurred in relation to materials used for cooling, as changes in these costs are typically passed through in the consumption charge. In some instances, DEWA, as the sole utility provider of water and electricity in Dubai, may initiate certain discounts and concessions, which the Group will be required to pass through to its end-users. The Group is not party to any contracts for the supply of electricity and water. The Group also relies on Dubai Municipality for supply of TSE.

Pre-insulated Pipe Segment

The Group established a pre-insulated pipe manufacturing facility in Jebel Ali, Dubai, called Empower Logstor ("ELIPS"), which was established in 2007 as a joint venture with Logstor Holding A/S, Denmark

(“Logstor”). Logstor is a pioneer in the field of pre-insulated pipe systems with more than 50 years of experience in the sector. ELIPS enables the Group to secure its supply chain and to maintain high quality in pre-insulation and casing of pipes. The portion of the Group’s revenue generated from the Pre-insulated Pipes segment amounted to 0.3%, 0.4%, 0.3%, 0.1% and 0.2% for the years ended 31 December 2021, 2020 and 2019 and for the six months ended 30 June 2022 and 2021, respectively.

ELIPS commenced its commercial operations in 2009 and it is now a leading manufacturer of pre-insulated pipes and provider of innovative solutions in fittings, in the industry across the GCC countries and the North Africa region. ELIPS caters to the demand for pre-insulated pipes and fittings from various industrial domains, such as the district cooling, oil, gas, solar and marine sectors. ELIPS has served more than 150 projects over the last 10 years. ELIPS has a state-of-the-art facility spread over an area of 92,817 square metres with a capacity to produce and supply 300 kilometres of pre-insulated piping systems and fitting, ranging from 2 to 80 inches with total sales of AED 589 million, as of 30 June 2022, to various locations within the GCC, including the UAE, Oman, Kuwait and KSA. ELIPS is the only pre-insulated pipe manufacturer in the region that uses CFC free (chlorofluorocarbons, blowing agents ozone depletants, banned by the Montreal Protocol of 1987) blowing agent, which contributes to the reduction of CO2 emissions and improves energy efficiency. ELIPS quality management systems are certified to the standards of the European International Network for District Cooling and has achieved International Organization for Standardizations (“ISO”) certifications, such as EURO HEAT, ISO 9001:2015, ISO 14001:2015 and ISO 45001. The Group’s Pre-insulated Pipe segment accounted for 0.3% of the Group’s revenue in 2021.

Integrated DCS Provider

The Group is an end-to-end DCS provider covering the entire spectrum of the value chain. The Group designs, builds, owns, operates and maintains its district cooling plants at its own cost. The Group provides a total DCS solution, including the following:

- **Design (pipe network and plant room):** External design of the plant room could be done in context with the project theme. The Group has previously appointed the following consultants for the design stage of the pipe network and plant room.
- **Build (pipe network and plant room):** The Group is experienced in building and constructing complex pipe networks and plant rooms. This include one of the most complex pipe networks that run under the marina for its JBR development.
- **DCS plant O&M:** Plant O&M is taken care by full-time dedicated plant operators located at the sites. Regular check-ups and preventive maintenance is carried out at scheduled time intervals.
- **Metering solution:** The metering of building owners and end-users’ chilled water consumption utilises a device that measures and records chilled water flow at the point of delivery in gallons per minute. Sub-metering allows for accurate energy monitoring, concise energy management, energy accountability, optimisation of usage, precision data for billing and improved end-user satisfaction. Sub-meters provide consumers with the information they need to make smart choices to conserve energy. Those energy conservation efforts are then rewarded with lowered energy bills. This results in a significant reduction in overall energy usage.
- **Customer care and billing system:** The Group’s state-of-the-art customer care and billing system provides end-to-end billing solution to its customers. The Group’s smart metering solutions, along with the sophisticated billing systems ensures timely billing to all its customers. 100% of the DCS bills are made available online. The billing system enables customers to, amongst other things, register for services, view and manage accounts, view and pay bills, make requests or complaints. Moreover, the Group’s billing system is integrated to various payment channels such as banks, exchange houses and payment gateways, which allows the Group to collect payments online and instantaneously reflect payments into customers’ accounts. More than 85% of the Group’s collection is received through online payment channels.

The billing system is also capable of sending automated notifications and payment reminders to customers

- **Customer care centre and call centre facilities:** The Group has four customer care centres located in the Group's head office, JBR, Jumeirah Lake Towers and Business Bay. Customers have access to all of the Group's services at its customer care centre.
- **Command and control centre:** The Group's CCC gives it a bird's-eye view of all activities in its current 76 district cooling plants including information on the efficiency of its operation and consumer consumption pattern. The CCC functions on top of a Virtualised IT environment and Program Logic Controls ("PLC") systems. Technologies used for this system are Virtualisation, GPRS, MPLS, PLC and SCADA. CCC provide the Group with information on the demand, supply and consumption patterns in each and every building and units instantaneously. This also enables the Group to easily spot and address any performance or inefficiency issues.

Significant Subsidiaries

Empower Engineering & Consultancy LLC

Empower Engineering & Consultancy LLC, established in 2020, is wholly owned by the Company and carries out project development consultancy services for the Group.

Empower FM LLC

Empower FM LLC, established in 2020, is wholly owned by the Company and carries out facilities management services.

Empower SNOW LLC

Empower SNOW LLC, previously known as Snow LLC, is wholly owned by the Company and establishes and operates district cooling projects and provides district cooling services to multiple Nakheel projects and developments including, Nakheel Mall, Dragon Mart, Jumeirah Islands, Golden Mile, Jumeirah Park Pavilion, and International City. The provision of DCS to these developments is pursuant to concession agreement entered into between Nakheel and the Company as part of the acquisition of the Snow LLC from Nakheel in 2021.

Palm District Cooling LLC

Palm District Cooling LLC is wholly owned by the Company that establishes and operates district cooling projects and provide air-conditioning, ventilators and refrigeration services. Palm District Cooling LLC and Empower SNOW LLC accounted for 36.5% of the Group's revenue in 2021.

Empower Logstor ("ELIPS")

ELIPS was established in 2007 as a joint venture between the Company and Logstor. In 2012, the Group increased its shareholding interest in ELIPS from 51% to 97%, Logstor's shareholding interest decreased from 49% to 3%. ELIPS manufactures pre-insulated pipes and associated products for the district cooling and oil and gas industry and enables the Group to secure its supply chain and maintain a high quality in the pre-insulation and casing of pipes. ELIPS accounted for 0.3% of the Group's revenue in 2021.

Relationship with Third Parties

Utility providers

The Group relies on DEWA for the provision of water and electricity and Dubai Municipality for supply of TSE water. The Group receives electricity and water from DEWA on an arm's-length basis, at standard commercial rates. The Group aims to reduce the use of potable water from DEWA by using TSE water from Dubai Municipality and polishing the same through its reverse osmosis plants. In some instances (such as the case of the COVID-19 pandemic), DEWA, may initiate certain discounts and concessions which the Group will be required to pass through to its end-users.

Core Contractors and Suppliers

- **Supply of consumables:** Consumables required for the operation and maintenance of the Group's district cooling plants and chilled water networks are procured by way of local purchase orders or supply contracts through the Group's procurement department based on a competitive quotation process.
- **Service contracts for O&M:** The Group carries out a significant proportion of the O&M of its district cooling plants and chilled water networks its in-house O&M team. Similar the supply of consumable, all of the Group's O&M materials and equipment are procured by way of local purchase orders or supply contracts through its procurement department based on a competitive quotation process. The Group also engages external contractors for certain specialised activities and maintenance that are outside the scope of work of the Group's in-house O&M team.
- **Construction contracts for capital expenditure projects:** New projects, including but not limited to district cooling plants, chilled water networks and reverse osmosis ("RO") plants are procured via a comprehensive competitive tendering process. The Group has robust standard terms and conditions of contracts, which are modified to address any risks associated with any particular project.

Master Developers

The Group also plans and co-ordinates the development of its new projects in order to meet the district cooling requirements of master developers. For more information on the Group's relationship with master developers, see "*Client Portfolio*".

Consultants

The Group engages engineering consultancy firms to provide consultancy services for project management, including engineering, design and site supervision, during the construction phase and in connection with the commissioning of district cooling plants, ETS and networks, as well as to conduct feasibility studies and carry out risk assessments with respect to its projects. The consultancy contracts are awarded by way of competitive tendering processes and require the consultant to provide a performance guarantee.

Employees

As at 30 June 2022, the total number of employees employed by the Group was 1,025 as compared to 874 employees as at 30 June 2021. The table below sets forth the Group's total number of employees by segment as at 30 June 2022:

	Number of employees as at 30 June 2022
Chilled Water segment	996
Pre-insulated Pipe segment	29
Total number of employees	1,025

Employee Benefits

The Group endeavours to provide employee compensation that it considers to be competitive with other organisations in Dubai. The Group also provides a range of employee benefits, such as health insurance and performance linked bonuses, as well as additional benefits such as overseas flight tickets, a children's educational allowance and parental leave. There is a nature of work allowance as mandated by Executive Office of the Ruler of Dubai. There are different types of leaves accorded to employees to

help them attend to their exigencies such as exam leave, escort leave, condolence leave, Hajj leave, sick leave, leave without pay and other types of special leave. These employee benefits are periodically reviewed based on market studies by external consultants, to ensure that the Group can attract and maintain a skilled workforce.

In accordance with the laws of the UAE, the Group provides end of service benefits to non-UAE national employees. Entitlement to these benefits is based on the employee's length of service and the completion of a minimum service period. UAE national employees benefit from a Government instituted pension plan to which both the Group and UAE national employees contribute at prescribed rates.

The Group provides scholarships for a bachelor's degree across disciplines, such as electrical engineering, mechanical engineering, computer science, renewable energy and AI, among others. A total of six students have graduated using such scholarships. These students study at UAE and international universities accredited by the UAE Ministry of Higher Education and Scientific Research.

Emiratization

The Group is committed to increasing the proportion of staff who are UAE nationals and to develop their training and expertise. For the year ended 31 December 2021, UAE nationals made up approximately 33% of the Group's leadership, approximately 34% of the Group's middle management and approximately 13% of its remaining workforce. Although the Government does not impose a mandatory quota on the number of UAE nationals the Group must employ, the Group has taken initiatives to involve more UAE nationals in its business.

The Group's ESG Initiatives

The Group is committed to environmental, social and governance ("ESG") principles and expects to continue maintaining its status as a leading DCS provider by achieving its ESG targets. The Group regularly considers the environmental, climate change and corporate social and governance responsibilities in its business and investment decisions and, accordingly, has set ESG targets, in accordance with its ambition to support Dubai's transition to a 100% clean energy economy.

ESG Targets

The Group's approach is to align its strategies and operations with the most material United Nations' Sustainable Development Goals ("UN SDGs"), such as affordable and clean energy (Goal 7), sustainable cities and communities (Goal 11) and climate action (Goal 13), by setting its ESG KPIs in line with the UN SDGs.

The Group is monitoring a broad set of areas, including CO2 emissions scope 1 and 2, CO2 emissions saved, water recovery, waste, CSR events, trainings and has targets in place for the most material ESG areas, such as CO2 and water.

The Group seeks to operate carbon neutral district cooling plants by 2050 by utilising 100% renewable energy and recycled water for district cooling, as per the Dubai Energy Transition plan. The Group aims to increase its TSE water usage to over 40% by 2025.

The Group also aims to achieve certain sub-objectives under its ESG parameters, which include:

- installing of solar panels to be used as cladding of district cooling plants and warehouse rooftops;
- replacing its fire suppression system, the FM200, across all district cooling plants with Novac and Aerosal, which are more environmentally friendly alternatives;
- providing support to research and development initiatives that encourage and promote more efficient district cooling systems;
- installing energy efficient pumps in all new district cooling plants;
- 100% usage of LED in all district cooling plants;

- using reverse osmosis in all new plants and operations; and
- continuing to strive to meet the UAE's emiratisation targets.

The Group will continue to review and, where necessary, modify its ESG-related policies, practices and programmes with the aim of meeting the ESG targets it sets for itself. The Group is a partner of the United Nations Environment Program (UNEP). Furthermore, the Group intends to comply with applicable policies to promote strong corporate governance practice.

Environmental

District cooling is a sustainable alternative to traditional air conditioning systems as it can provide up to 50% electricity savings. The Group pioneered the identification of CO2 reductions methodology, the Clean Development Mechanism, which received approval by the UNFC under the clean development mechanism. The Group's Clean Development Mechanism has resulted in an increase in annual CO2 saving of approximately 735,000 tCO2 in 2021, which amounted to an increase in annual CO2 savings of approximately 17.7% in 2021, compared to 2020. Similarly, the Group achieved an increase in electricity saving of approximately 17.7% YoY between 2020 and 2021. The Group is also focused on water efficiency and is targeting an increase in its use of TSE from 12% in 2021 to more than 40% by the end of 2025.

In 2021, the Group was able to save approximately 41% more water, when compared to 2018, by increasing its water cycles, which has led to a water recovery of 65%. Furthermore, the Group is currently operating seven reverse osmosis plants, with three further plants commissioned for 2022.

Other environmental initiative of Group includes its: (i) summer campaign programme, which was designed to encourage responsible behaviour from its end-users leading to an energy saving usage of approximately 5% in the summer of 2021; (ii) paperless strategy, which provides 100% of DCS bills online; (iii) campaigns to eradicate single-use plastics; (iv) waste minimization efforts, such as electronic devices donation; and (v) promoting re-use before recycling.

Social

The Group aims for its policies and practices to ensure inclusion, empowerment, diversity and gender equality. The Group has sought to empower a diverse and inclusive workforce of over 30 nationalities, with women representing 16% of management positions and approximately 21% of the Group's head office and a dedicated Emiratisation programme policy focusing on the training and career development of Emirati nationals with a dedicated mentoring system in place. For further information, see "*Relationship with Third Parties–Employees–Emiratisation*".

The Group provides an employee development programme for all staff, including leadership development, team building and communication skills. The Company is committed to creating an inclusive and empowering environment for its employees. The Group has put in place an inclusive parental leave which applies to male and female employees, which includes, among others, maternity leave, paternity leave, child care leave. In 2021, a total of 343 of the Group's employees took parental leave. The Group has also joined DEWA's "Inclusion People of Determination Innovation Incubator" programme, which is specifically designed to implement inclusive measures for people with disabilities. Furthermore, the Group has had zero lost time injury incidences from 2004 to 2019, one lost time injury in 2020 and zero lost time injury in 2021. This is reflective of the Group's strong health and safety measures, such as the use of systematic implementation of risk assessment, permit to work procedure, site supervision, trainings, QHSE site inspections which are the key tools mitigating the incidents at the Groups working environment. For further information, see "*Relationship with Third Parties–Employees–Employee Benefits*".

The Group is also an active leader within its communities and, in alignment with the UN SDGs and local sustainability plans. The Group's corporate and social responsibility is at the core of its business model and priorities. The Group has organised 63 corporate social responsibility events in 2021 and 373 corporate social responsibility events between 2008 and 2021, with more than 100 employees (including

senior management positions) participating the Group's corporate social responsibility ("CSR") events. This has led to the Group receiving the Advanced CSR label from Dubai Chamber Sustainability Network four times in a row.

Governance

The Group's governance practices include a set of corporate policies, which are further divided into objectives, KPIs and procedures.

In addition, the Group has established an Enterprise Risk Management model and an Information Security Management system to adopt and comply with best international practices and approved Quality, Occupational, Health, Safety and Environment ("QHSE") standards, which includes complying with all applicable, rules, policies and other requirements related to QHSE that are globally accepted and applicable to the Group. Other policies of the Group include its whistleblowing policies and human capital policies.

In addition, the Group's Board committees, which are expected to be put in place prior to the Offering, include the audit and, nomination and remuneration and ESG committees and appoint independent board members. The Group also has various management-level committees and sub-committees (such as the finance and audit committee, technical committee and information security steering committees) and comprehensive policies covering all function of its operations.

Health and Safety

The Group seeks to ensure that strict health and safety standards are observed throughout its operations. The Group is committed towards quality assurance and has implemented a QHSE policy and programme which complies and exceeds the requirements of international standards such as ISO 45001:2018, which is the new international standards for occupational health and safety management. The Group has more than 70 QHSE policies. All employees, consultants, contractors and vendors of the Group are required to abide to the Group's QHSE policy. The QHSE programme defines the responsibilities for the structure of the QHSE management system and specifies certain procedures for carrying out activities under the control of the QHSE management system, as well as sets out standardised forms and checklists to ensure consistency of records in relation to QHSE. In addition, the QHSE programme deals with the following procedures: lockout/tag out (LOTO), permits to work, occupational health and safety hazard identification and risk evaluation. The QHSE programme has the following certifications: ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ISO 27001:2013. The Group has launched, in collaboration with the ASHRAE, the "Owner's Guide for buildings served by District Cooling" and the updated edition of the "District Cooling Guide" in 2019, for designers and building owners.

Furthermore, the Group provides health and safety training to all its employees and provided a total 516 health and safety trainings to 4,654 attendees in 2021. In addition, Group holds systematic QHSE internal audit across all of its district cooling plants at least once in a year, QHSE committee meetings, project safety walk-throughs and emergency drills.

Insurance

The Group maintains insurance coverage that it believes is in line with standards adopted by the district cooling market in Dubai and such insurance coverage includes property insurance in respect all of its assets, including machinery breakdown. The assets are evaluated by the Group for any particular risks and carry out asset valuations and risk assessment surveys in order to enable the Group to take all necessary preventative steps to minimise the risks of accidents and losses. The Group has also obtained insurance for fidelity guarantee, workers compensation, employer's liability against employee negligence and third-party liability insurance. See "*Risk Factors—Risks Related to the Group—The Group may not be able to maintain sufficient insurance coverage for the risks associated with the operation of its business*"

Properties

As of 30 June 2022, the Group owned a total of 79 principal properties. These principal properties comprise of 76 district cooling plants, pre-insulated pipe production facility, central warehousing facility and staff accommodation buildings.

Regulation

The district cooling market is largely an unregulated market in the GCC, however this is slowly changing. The Emirates of Dubai and Abu Dhabi have both recently appointed a regulatory body to oversee the district cooling market in each respective Emirate. District cooling has been adopted as part of the Government's energy demand side management and the RSB has been appointed as the regulator of the Dubai sector. While the RSB actively collects data from district cooling providers in Dubai and certain policy statements have been made, a regulatory framework has been introduced which is now effective for all DCS providers operating in Dubai. The RSB published further regulations for district cooling providers in connection with tariffs on 14 July 2022. Pursuant to the new regulatory regime any proposed change to the Group's pricing structure will be subject to the review and approval of the RSB.

In addition, the Group needs permits issued by relevant government agencies, such as the RSB, environmental and civil defence agencies and generic commercial and industrial licences to operate its district cooling plants. The Group must comply with certain restrictions and conditions to maintain its permits and licences. For example, the Company's subsidiary, Palm District Cooling LLC, is currently in discussions with the RSB to obtain the relevant permit (which allows it to provide DCS) and submitted the relevant permit application prior to the expiry of the grace period on 30 September 2022, from which the Company's subsidiaries benefitted pursuant to Executive Council Resolution No. (6) of 2021. On 20 October 2022, Empower Snow LLC, one of the Company's subsidiaries, received its permit from the RSB to provide DCS. The relevant permit for Palm District Cooling LLC is currently pending and no assurance can be made regarding the approval of such permit application. Given that the Company is currently ultimately beneficially owned by the Government, it is not currently required to hold such permit from the RSB. However, in connection with the Offering the Company has been converted to a public joint-stock company and will also be required to obtain such permit from the RSB. As of the date of this Prospectus, neither the Company nor Palm District Cooling LLC have been issued any permit by the RSB, but the Company and Palm District Cooling LLC expect to obtain such permits soon after the Offering, respectively. See *"Risk Factors—Risks Relating to the Group—The Group needs permits and licences to undertake its business operations and any revocation, cancellation or non-renewal of any of these permits or licences could have a material and adverse impact on its business"*.

Intellectual Property

The Group owns four trademarks that includes the Empower logo and other material trademarks (including trademarks of subsidiaries) comprised by logos and words, which are registered in the UAE.

Information Technology

SCADA

The Group operates its CCCs, located in the Company's head office, to monitor and control the real-time information on the demand, supply and consumption patterns in each and every building unit which enables the Group to deliver reliable and efficient DCS. The Group uses SCADA, smart monitoring, control and automation systems to provide and monitor its district cooling services in accordance with international standards. The SCADA system hardware and software architecture was designed to provide full redundancy and availability.

SCADA assists the Group's operation and infrastructure to ensure equipment's optimum level of performance, enhance service reliability and ensure compliance with agreed upon thresholds on a real-time basis, thus enabling the Group to meet its commitment to provide seamless service levels to its clients. More than 130,000 instruments and 1,900 RTUs are monitored live through the advanced SCADA platform. Through the implementation of SCADA, the Group has been able to minimise the occurrence of cooling outages or interruptions, as well as pipeline breakages or leakages. SCADA

enables skilled operators to instantly detect and isolate breakages and emergencies by observing the changes in pressure and flow transmitter readings.

Smart Services and Channels

Smart meters

The Group pioneered metering in 2007 and implemented smart metering and data management system (“MDMS”) in 2014, which has improved efficiency and assisted in the mitigation of production losses and better fault detection. By 2017, all existing meters of the Group were upgraded to smart meters. The Group’s centralised MDMS and the “Delta T Pro” technology in meters monitoring manage all of the Group’s smart meters. The metering of end-users’ chilled water consumption utilises a device that measures and records chilled water flow at the point of delivery in gallons per minute. It measures and records chilled water temperature of the supply water and the temperature of the return water and utilises the gallons (flow) and the temperature differential to calculate the BTU’s of heat rejected to the district cooling system. The BTU units are then converted to refrigeration unit of ton hours. The Group’s smart metering solution has eliminated human based data collection activities, removing the need for manual collection of meter readings, which has resulted in reduced costs and prevented production losses.

The Group has also developed and has been using the award winning “Energy Transfer Solution Flow Control Optimisation Using Statistical Process Control” technology and “360 Solution for Metering Artificial Intelligence, AIMS 360” in its operation.

Unmanned plant room

The Group seeks to innovate and drive toward further efficiency. For example, in 2017, the Group rolled out its first unmanned plant room in Jumeirah Village South, which the Group believes is the world’s first of its kind and may explore using this approach further moving forward.

Information Technology Systems

The Group also relies on the following IT systems to maintain its superior operational systems:

- **IBM Maximo:** An integrated asset management system that includes, maintenance and all related procurement and inventory management sub-systems with Self-service functionality;
- **Qlik Dashboard:** A well-recognised business intelligence system for enhancing reporting efficiency and providing real-time dashboard applications;
- **ZorroSign:** An electronic e-signature system based on block-chain technology for superior privacy and security for digital signatures and transactions; and
- **Oracle ERP/R12 and CC&B:** An integrated ERP system deployed for financial accounting and reporting, that seamlessly integrates Oracle’s customer care and billing (“CC&B”) application for receivables and billing management on one hand and with the IBM’s Maximo for payables and general ledger applications on the other hand for comprehensive financial reporting.

Litigation

The Group has not been involved in any material governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Group is aware) during the last 12 months preceding the date of this Offering which may have, or have had, a significant effect on its financial position or profitability.

3. Statement of capital development

Company’s current share capital structure before commencement of the Offering

The capital of the Company has been fixed at AED 1,00,000,000 (one billion), divided into 10,000,000,000 (ten billion) Shares with a nominal value of AED 0.10 (10 fils) (ten fils) each. All Shares are equal in respect of all rights.

The following table illustrates the Company's ownership structure before and after completion of the Offering:

As at the date of this Prospectus -

Before the Offering:

<i>Shareholder</i>	Number of Shares	Percentage
DEWA	7,000,000,000	70%
Emirates Power	3,000,000,000	30%

**Based on the nominal value*

After the Offering:

Name	Nationality	Type of Shares	Number of Shares owned	Total value of Shares owned*	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%

** Based on the nominal value*

Company's capital structure upon completion of the Offering

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.

Assuming all of the Offer Shares are allocated, the Selling Shareholders will hold 9,000,000,000 (nine billion) of the Shares, representing 90% (ninety percent) of the Shares, and assuming that the Selling Shareholders sell all of the Shares being offered and the Offering size is not increased. The Company has presented its plan to the Authority for the Selling Shareholders to offer 1,000,000,000 (one billion) representing 10% ten percent of the Shares. The Selling Shareholders reserve the right to amend the size of the Offering and the tranches sizes at any time prior to the end of the subscription period at their sole discretion, subject to the applicable laws and the SCA's approval.

No. of Selling Shareholders' Shares: 9,000,000,000 (nine) billion Shares

No. of total Subscribers' Shares (assuming all Offer Shares are allocated including all tranches mentioned under the Prospectus): 1,000,000,000 (one) billion Shares

Total: 10,000,000,000 (ten billion) Shares

4. Statement of the status of the existing litigation actions and disputes with the Company

The Group has not been involved in any material governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Group is aware) during the last 12 months preceding the date of this Prospectus which may have, or have had, a significant effect on its financial position or profitability.

5. Statement of the number and type of employees of the Company:

As at 30 June 2022, the Group had 1,019 employees who were employed in the Company's head office, corporate and administrative functions and in field support.

6. Accounting policies adopted at the Company:

The Company prepares its Financial Statements in accordance with IFRS as issued by the International Accounting Standards Board and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS.

7. Statement of Company's financing, credit facilities and indebtedness and the most significant conditions thereof:

Please see "Material Agreements" section.

8. Statement of current pledges and encumbrances on the Company's assets:

Please see "Material Agreements" section.

9. Investment Risks:

Investing in and holding the Shares involve financial risk. Prospective investors in the Shares should carefully review all of the information contained in this Prospectus and should pay particular attention to the following risks associated with an investment in Emirates Central Cooling Systems Corporation PJSC (the "Company") and its subsidiaries (the "Group") and the Shares, which should be considered together with all other information contained in this Prospectus. If one or more of the following risks were to arise, the Group's business, financial condition, results of operations, prospects or the price of the Shares could be materially and adversely affected, and investors could lose all or part of their investment. The risks set out below may not be exhaustive and do not necessarily include all of the risks associated with an investment in the Group and the Shares. Additional risks and uncertainties not currently known to the Group or which the Group currently deem immaterial may arise or become material in the future and may have a material adverse effect on the Group's business, results of operations, financial condition, prospects or the price of the Shares.

Risks Relating to the Group

Any increase in the Group's expected operating expenses, direct costs or capital expenditure could erode its operating margins and materially adversely affect its business, financial condition and results of operations

The Group's operating expenses include spares, repairs and maintenance costs. While the Group schedules and performs regular maintenance (such as preventive maintenance, life cycle maintenance, among others), if it fails to correctly estimate the necessary amount of maintenance expenditure, if it is unable to undertake the required maintenance work or if the maintenance work is delayed significantly, it could materially adversely affect the Group's operational and financial performance. Furthermore, the Group's operating expenses are exposed to the rate of inflation, which has risen globally over the past few years, and may impact the Group's performance and results. For example, the key driver for the increase in the Group's operating expenses in connection with material and other costs between 2019 and 2021 was rising inflation. For further details on the Group's operating expenses, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of operations - consolidated statement of profit or loss and other comprehensive income—Results of operations for the years ended 31 December 2019, 2020, and 2021—Cost of sales—Material and other costs". In addition, the development and expansion of the Group's district cooling plants and network requires ongoing

capital expenditure (see “–*The Group’s strategy requires it to make substantial long-term capital expenditure*”).

There is no assurance that the Group’s operating expenses, direct costs (including utility costs which can be impacted by fuel prices) or capital expenditure, including those noted above, will not increase in the future or that the Group will be able to successfully pass any such increases in operating expenses or direct costs (including utility costs which can be impacted by fuel prices) to its end-users. Any increases in operating expenses, direct costs (including utility costs which can be impacted by fuel prices) or capital expenditure referred to above would reduce the Group’s operating margins and may have a material adverse effect on its business, financial condition and results of operations.

The Group’s revenue, profits and cash flows are currently entirely concentrated in Dubai

The Group currently relies entirely on the revenue, profits and cash flows generated by its operations in Dubai to make payments on its financing, pay operating expenses, fund its capital expenditure and meet its other obligations that may arise from time to time. For example, as of 30 June 2022, the Group’s Dubai revenue accounted for 100% of its total revenue, and of this amount 27.4% was from entities owned or controlled by the Government. The ability of the Group’s customers in Dubai to perform their respective obligations under their contracts or commitments with the Group may be negatively affected by adverse economic or political developments in or affecting Dubai or the UAE, which in turn could have a material adverse effect on the Group’s results of operations. For example, a slowdown in economic growth in Dubai may result in less new developments, which could impact the Group’s revenue from new connections. In addition, the Group’s end-users may need additional time to repay their invoices. For further information, see “–*The Group’s counterparties may default on their contractual obligations as a result of difficult market conditions or other reasons*”. These factors could negatively impact the Group’s revenue including by materially adversely impacting the customers of the Group, or the local Dubai or broader UAE economy.

In addition, with respect to the Group’s expansion plans within Dubai, the Group’s continued growth depends in part on its ability to service new developments or population growth, as well as the occupancy levels of the districts it serves, and a significant economic slowdown in Dubai or the wider UAE could reduce the number of new projects available to the Group.

The Group may face increasing competition in its existing market and in connection with its future expansion plans

The Group operates in an increasingly competitive environment. The Group’s competitors include government-owned entities and entities which are owned by major regional property developers. Some of the Group’s competitors outside of Dubai may have substantially greater financial, personnel, technical, marketing and other resources. As the Group seeks to expand to markets outside of Dubai (primarily in the UAE, the GCC region (notably in the KSA and Qatar) and other MENA countries such as Egypt), certain of its competitors may be able to leverage their knowledge and contacts in these markets more effectively than the Group. The Group’s competitors may, from time to time, adopt more aggressive pricing policies, offer better products and services, develop and deploy more rapidly any new or improved technologies, expand and enhance their district cooling plants more rapidly, and undertake more extensive advertising and marketing than the Group.

The key market in which the Group operates is Dubai. In order for the Group to maintain itself in Dubai or establish itself in the other markets in which it seeks to operate as the district cooling partner of choice, it will need to, among other things: (i) maintain its market leading position in terms of connected capacity in Dubai and establish leading positions in terms of connected capacity in the markets in which it seeks to operate; (ii) continue to provide high quality, uninterrupted, reliable and cost-effective services to its customers; (iii) maintain strong relationships with master developers to maximise the chance of winning new business from them; (iv) bid competitively for new projects, both in terms of price and by demonstrating a flexible approach to ensure that each customer’s needs are met to the fullest extent possible; and (v) continue to innovate, particularly in relation to sustainability and renewable resources. In addition, increased adoption and affordability of renewable energy may result in innovative renewable

energy-based cooling systems that are more efficient than district cooling solutions offered by the Group. Any failure by the Group to compete effectively, particularly if it is unable to maintain uninterrupted operations, it loses significant master developer relationships, it fails to win new business in the face of competition or it is unable to identify and exploit new opportunities, could result in a material adverse effect on the Group's business, financial condition and results of operations.

In relation to bidding competitively for new projects, the Group is exposed to a number of challenges, including the need to expend internal resources and incur costs in preparation for the bids. If the Group is unable to retain its qualified and experienced employees who work on competitive bidding processes, this could lead to a decreased capacity to pursue such competitive bidding processes, and therefore, the Group may not be able to pursue certain bid opportunities. See *“–The Group's business may be harmed if it fails to attract and retain qualified and experienced employees”* for more information regarding the importance of the Group's ability to attract and retain qualified and experienced employees. Furthermore, the challenges of the competitive bidding process may be enhanced when the Group bids for contracts in new markets where it does not have experience in the relevant competitive bidding process or where the Group may be subjected to new or differing regulations from its current operations. In addition, the nature of the bidding process is lengthy and varies by each jurisdiction. It can take the Group multiple submissions over a number of years to attract, obtain an award from, contract with and recognise the revenue from its district cooling plants, if the Group is successful at all. Failure for the Group to successfully compete in the competitive bidding processes to secure contracts with master developers may have a material adverse effect on the Group's business, financial condition and results of operations.

Changes in monetary or fiscal policies or inflation and increasing interest rates may materially adversely affect the Group's business, financial condition and results of operations

Interest rate changes affect overall economic growth, which could affect the Group's business, financial condition and results of operations. Interest rate changes may also impact the Group's end-users' ability to pay and the ability of its suppliers to finance the production of parts and components necessary to build new district cooling plants. Increases in interest rates could materially adversely impact revenue the Group's collection of receivables and create supply chain inefficiencies.

Central banks and other policy arms of many countries may take actions to vary the amount of credit available in an economy. The impact from a change in credit policies could negatively impact the customers and Dubai's economy, create supply chain inefficiencies and could materially adversely impact the Group's business. In addition, a change in credit policies may also impact the Group's ability to fund its capital expenditure to construct new district cooling plants and networks, which may impact its ability to meet demands and hence materially adversely affect the Group's business, financial condition and results of operations.

Recent inflationary pressures have led to increasing interest rates globally, which are expected to continue increasing in the short term. The Company recently entered into a new financing in AED, which has a floating interest/profit rate. For further information on the Company's new financing, see *“Material Agreements–Certain Financing Arrangements of the Group– Islamic and Conventional Facilities”*. A portion of the Group's cash flow from operations must be dedicated to interest/profit payments on its indebtedness and is not available for other purposes, which amount would increase if prevailing interest rates rise since the Company's new financing has a floating interest/profit rate. Given the recent increasing interest rates globally, in the short term, the Company and the Group may face higher interest /profit rates in relation to the Company's new financing, and the Group would be required to allocate a higher portion of its cash flow from operations to its interest/profit payments on its indebtedness, which in turn could decrease the Group's profitability. See *“–The Group's level of indebtedness and the terms of its indebtedness could materially adversely affect its business, liquidity position and ability to pay dividends”*. In addition, inflationary costs to manufacturing and supply chain inefficiencies, as well as its impact on the Group's operating expenses could also materially adversely affect the Group's business, financial condition and results of operations.

The Group may not successfully execute its business strategy and operating plans or manage its anticipated growth

The existing and future execution of the Group's strategic and operating plans, including its financial targets, will, to some extent, be dependent on external factors that it cannot control, such as the performance of the real estate sector in Dubai, which may impact the Group's planned growth and investments. The Group's strategic and operational plans and financial targets must be continually reassessed to seek to address the challenges and needs of its businesses. The failure to implement and execute the Group's strategic and operating plans and financial targets in a cost-effective and timely manner, or at all, realise the cost savings or other benefits or improvements associated with such plans or targets, or have financial resources to fund the costs associated with such plans or targets or to incur costs in excess of anticipated amounts, or sufficiently assess and reassess the plans or targets, could have a material adverse effect on the Group's business, financial condition and results of operations.

In addition, the successful execution of the Group's business plan and achieving its financial targets will require effective management of its anticipated growth, which may include acquisitions (see "*The Group's investments into new businesses and innovation may not be successful or commercially viable*"). Certain information presented by the Group assumes the completion of its acquisitions, including the Dubai International Airport District Cooling Acquisition (as defined below). See "*Business—Overview—District Cooling*" for further details on the information presented by the Group. To the extent that the Dubai International Airport District Cooling Acquisition is not completed, the Group's actual growth may differ from its currently anticipated growth and financial targets, which could have a material adverse effect on the Group's business, financial condition and results of operations.

Furthermore, while the Group has access to master developers and contract exclusivity (which provides visibility on incoming demand and other potential demand from additional expansions from these same developers), there can be no assurance that these aspects will enable the Group to accurately forecast demand. In the event the Group's estimates with respect to forecasted demand are inaccurate, the Group may not meet its financial targets during the periods anticipated or at all. In addition, certain of the Group's growth expectations are based on assumptions, projections and other growth metrics which are outside of the Group's control, including GDP growth in Dubai and population growth in Dubai. If these projections on which growth has been assumed do not result in additional customers, the Group's growth and financial targets may not be met.

In addition, the Group currently operates out of Dubai, with only limited international sales through its Pre-insulated Pipe segment. As part of the Group's strategy, it is assessing opportunities to further expand its operations regionally, primarily in the UAE, the GCC region (notably in the KSA and Qatar) and other MENA countries such as Egypt, and establish new master developments, customers and business relationships. As the Group pursues such opportunities it will continue to face and may be subject to legal, political and regulatory requirements, as well as social and economic conditions that may be very different from those affecting it in its current operations. Furthermore, the management team, operational systems and internal controls currently in place or to be implemented may not be adequate for such growth, and the steps taken to hire personnel and to improve such systems and controls may not be sufficient.

In addition to these risks, the Group may face a number of other risks associated with its strategy and expanding its business activities regionally that may increase its costs, impact its ability to expand internationally and require significant management attention. These risks include, but are not limited to:

- difficulty in establishing, staffing and managing foreign operations;
- challenges in attracting and developing relationships international master developers and other customers in target markets;
- preferences of foreign nations for domestically manufactured or assembled products, which may not be met by the Group's suppliers;
- the Group's ability to enforce contractual rights;

- transfer pricing risks;
- increased competition from DCS providers in other markets; and
- higher cost of doing business internationally.

If the Group is unable to grow as anticipated, manage its growth effectively or successfully integrate any acquisitions, it could have a material adverse effect on its business, financial condition and results of operations. For further information on the Group's key strategies and financial targets, see "*Business–Strategy*" and "*Financial and Operational Targets*".

The Group's strategy requires it to make substantial capital expenditure

In line with the Group's expansion strategy, the Group is targeting an average Capital Expenditure of AED 4 million to AED 6 million per k RT of additional in the medium term. The Group's capital expenditure plans include the construction of district cooling plants and networks and capital expenditure necessary for the operation of its business. The Group expects to fund its expected capital expenditure through its operational cash flows and borrowings. In the years ended 31 December 2019, 2020 and 2021 and the six months ended 30 June 2022, the Group incurred Capital Expenditure of AED 676.7 million, AED 775.5 million, AED 1,239.9 million and AED 220.9 million, respectively. For further information on the Group's expected capital expenditure, see "*Financial and Operational Targets*" "*Business–Strategy*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations- Capital expenditure*".

Although the Company and its subsidiaries are authorised to engage in any investment, borrowing, lending, or issuing guarantees or any other debt instruments, the Company intends to fund all long-term capital expenditure through its operational cash flows and borrowings and there can be no assurance that the Group will have sufficient operational cash flow or that borrowings will be available on favourable terms, or at all, to fund its capital expenditure. Furthermore, while the Group is controlled directly or indirectly by Government-related entities, its borrowings are not guaranteed by the Government. Any of the foregoing may have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may not meet its ESG targets or strategy, or may incur additional costs in connection with such strategies

The Group is committed to environmental, social and governance ("ESG") principles, and ESG is at the centre of the Group's priorities and strategic initiatives. The Group regularly considers environmental and social factors, such as climate change, and governance responsibilities in its business and investment decisions and, accordingly, has set and disclosed ESG targets, including certain time-bound targets such as seeking to have carbon neutral district cooling plants by 2050, in accordance with its ambition to support Dubai's transition to a 100% clean energy economy by 2050. For information on the specific ESG targets, see "*Business–The Group's ESG Initiatives–ESG Targets*". As part of the Group's commitment to its ESG targets, the Group sources treated sewage effluent ("TSE") as supplied by the Dubai Municipality. The Group expects to increase its use of TSE from 12% in 2021 to more than 40% by the end of 2025, which it expects will have a positive impact on the Group's profitability given it is less expensive than potable water. To the extent the Group is not able to source TSE from the Dubai Municipality to the same scale it has done historically or at all, it may have an impact the Group's ability to maintain its sustainability in connection with its ESG targets or require the Group to incur additional costs, which could have a material adverse impact of the Group's profitability.

In the event that the Group may not meet its ESG targets fully, partially or in a timely manner, it may adversely affect its ability to raise new capital from the increasing number of financiers and investors who consider it important to incorporate disclosure of and performance against ESG-related metrics into their investment criteria. Additionally, in the event of repeated non-fulfillment of these targets, the Group may face the risk of higher cost of capital by such financiers or investors, which may lead to a material adverse impact on the Company's business and reputation.

The Group's level of indebtedness and the terms of its indebtedness could materially adversely affect its business, liquidity position and ability to pay dividends

As of 30 June 2022, the Group had AED 748.9 million of net debt. The Group currently uses debt financing and plans to continue to use debt financing for its future operations and projects. The terms of the agreements governing the Group's indebtedness limit the circumstances in which it may incur additional indebtedness. However, the Group's indebtedness may increase from time to time in the future for various reasons, including fluctuations in operating results, capital expenditure and potential acquisitions or joint ventures or other investments or financing requirements. As a result, the risks normally associated with debt financing may materially adversely affect the Group's cash flows and liquidity as well as its business, financial condition and results of operation for various reasons, including the following:

- the Group's level of indebtedness may, together with the financial and other restrictive covenants in the agreements governing its indebtedness, significantly limit or impair its ability in the future to obtain financing, refinance any of the Group's indebtedness, sell assets or raise capital on commercially reasonable terms or at all, which could cause the Group to default on its obligations and materially impair its liquidity;
- a downgrade in the Group's credit rating (if any) could restrict or impede its ability to access the capital markets at attractive rates and increase its financing costs;
- the Group's level of indebtedness may increase the difficulty for it to repay its debt, including its ability to pay interest when due;
- the Group's level of indebtedness may reduce its flexibility to respond to changing business and economic conditions or to take advantage of business opportunities that may arise;
- a portion of the Group's cash flow from operations must be dedicated to interest payments on its indebtedness and is not available for other purposes, which amount would increase if prevailing interest rates rise;
- the Group's level of indebtedness may place it at a competitive disadvantage relative to the competitors that have lower leverage or greater financial resources than it has and may restrict it from pursuing its strategy (including acquisitions) or exploiting certain business opportunities; and
- the Group's level of indebtedness could make it more vulnerable to downturns in general economic or industry conditions or in its business.

In addition, the instruments governing the Group's indebtedness contain a number of restrictive covenants. For further information on the restrictive covenants, see "*Material Agreements—Certain Financing Arrangements of the Group*". Furthermore, prevailing interest rates or other factors at the time of refinancing, including the possible reluctance of creditors to make commercial loans, as a result of extreme market and economic conditions such as those caused by the COVID-19 pandemic or otherwise, or to invest in operations in developing markets, could also result in higher interest rates, and the increased interest expense could, in the longer term, have a materially adverse effect on the Group's ability to service its debt and to complete its capital expenditure plans, which in turn may have a material adverse effect on the Group's business, financial condition and results of operations.

The Group enters into long-term contracts with master developers and certain customers and any material changes to key terms in those contracts defaults under those contracts or if there are arrangements for which there are no formal agreements could materially adversely affect the Group

The Group's contracts with master developers and certain customers typically extend for over 25 years and provide for four sources of revenue: (i) consumption charge revenue, (ii) demand charge revenue, and (iii) other revenues, which includes the sale of insulated pipes and items such as temperature surcharge for low Delta T (such that if customers return water at a lower temperature than indicated, they are charged a fee), connection charge revenue and disconnection charge revenue. For further

information on these sources of revenue, see “*Business—Principal Operations—Chilled Water Segment—Tariff Structure*”. In addition, the Group uses a composite rate, which is a single rate for both consumption and demand charges, for certain new projects recently acquired from Nakheel PJSC, which are under long-term contracts of over 30 years and generally automatically renewable. For example, in garden apartments a single rate per square foot is charged as demand, which also includes the consumption charge, and in garden view villas a single rate per ton of refrigeration hour (“TRh”) consumed is charged as consumption, which also includes the demand charge. Therefore, in such projects, any change in occupancy levels may impact the Group’s financial performance.

To date, the Group has generally been successful in applying these charges in line with the contractual terms, including the pass-through provisions where utility costs have escalated, and has also continued to receive capacity payments in cases where not all capacity has been used. Nonetheless, there remains a risk that one or more master developers or certain customers may default on their contractual obligations, delay their payments, or seek to renegotiate their contractual arrangements during the term of the contract or as a condition of renewing the contract and such master developers or certain customers may also seek to challenge certain provisions of the contractual terms which they have agreed to.

In the past, in connection with the COVID-19 pandemic and pursuant to directives issued by the Supreme Council of Energy in 2020, the Group provided one-off discounts to end-users (as a result of DEWA’s one-off discounts on its water and electricity charges, which the Group was obligated to pass on to its end-users) as mandated by the Government and gave its end-users additional time to repay their invoices. For further information, see “*—The Group’s counterparties may default on their contractual obligations as a result of difficult market conditions or other reasons*”. In the future, this risk may be exacerbated at certain times by poor economic performance, including periods of inflation, measures introduced in relation to any further outbreaks of COVID-19 or another pandemic or when a master developer or certain customers is experiencing significant financial difficulties or other material adverse changes in its business, which may become more likely in poor economic climates. Should any of the above risks relating to the performance of contracts materialise, the Group’s revenue and cash flow would be negatively impacted and the Group may become involved in litigation or arbitration proceedings which may be costly and the outcome of which would be uncertain. These factors could also negatively affect the Group’s profitability and reputation. In addition, there is a risk that the Group may be required to amend provisions in its contracts by a change of law or regulation and such required amendments may be adverse to the Group.

Some of the Group’s district cooling services and activities are performed with no formal master development agreement in place, although building owner agreements are in place - for further information, see *Material Agreements—Contractual Framework and Master Development Agreements*. To the extent that any of the master developers who have not entered into formal master development agreements with the Group do not enter into master development agreements or similar, the Group’s business, financial condition and results of operations could be materially adversely affected.

Some of the Group’s district cooling services and activities are performed with no formal master development agreement in place, although building owner agreements are in place - for further information, see “*Material Agreements—Exclusivity and Framework Agreement*”. To the extent that any of the master developers who have not entered into formal master development agreements with the Group do not enter into master development agreements or similar, the Group’s business, financial condition and results of operations could be materially adversely affected.

A significant proportion of the Group’s projects are developed by Government entities or companies that are controlled directly or indirectly by the Government. See “*Related Party Transactions—Relationship with Entities under Common Control of the Government*”. These Government-related entities may be able to negotiate better contractual terms than some of the Group’s other customers. Should any of the Government-related entities that the Group contracts with dispute the contractual terms they have agreed, it may be difficult for the Group to enforce those terms as a result of sovereign immunity and

other considerations. Should such a risk materialise with one or more Government counterparties, the Group's revenue, cash flow, profitability and reputation could be materially adversely affected.

The Group may have the regulatory obligation to pay certain fees in connection with the change in status of certain of its lands upon completion of the Offering

With the exception of lands on Nakheel developments where the land is relating to certain leased at a nominal fee of AED 1 for the term of the lease (e.g., up to 30 years) and lands relating to certain Dubai Holding group entities (see "*Related Party Transactions—Relationship with Dubai Holding—Land*"), the lands owned by the Group are lands granted by the Government.

Pursuant to Article 4 of Decree No. (4) of 2010 Regulating the Transfer of Title to Granted Industrial and Commercial Land in the Emirate of Dubai, the beneficiary of granted industrial or commercial land who transfers ownership of such land to its name has to pay a transfer of ownership fee of 30% ("**30% Fee**") of such land's market value as determined by the Dubai Land Department ("**DLD**") at the time of ownership transfer. All of the Group's granted land will be subject to the potential 30% Fee. The DLD may determine that the Offering (although not leading to an ownership transfer of the granted land) could still trigger the payment by the Group of the 30% Fee as a result of changes to the ultimate beneficial owners of the Company following the completion of the Offering. In connection with the possibility of such 30% Fee being imposed on the Group, the Selling Shareholders and the Company entered into an irrevocable guarantee agreement on 23 October 2022 pursuant to which the Selling Shareholders, severally (on a pro rata basis relative to their shareholding in the Company) unconditionally and irrevocably guaranteed in favour of the Company the full payment and discharge of all future liabilities of the Company in relation to the 30% Fee ("**Irrevocable Guarantee**"). For further information, see "*Material Agreements—Irrevocable Guarantee Agreement*".

In the event the payment of the 30% Fee is triggered, if one or more of the Selling Shareholders do not provide the Irrevocable Guarantee and the 30% Fee remains unpaid by the Group (which the DLD in turn considers as an evasion of fees), the DLD would be entitled to impose a penalty of up to double the amount of the 30% Fee in accordance with Executive Council Resolution No. (30) of 2013. Furthermore, if the 30% Fee and/or penalty becomes payable and one or more of the Selling Shareholders do not fulfil their commitments under the Irrevocable Guarantee and this is paid by the Group, this could have a material adverse effect on the Group's financial performance or its ability to pay dividends. Any of the foregoing could result in a material adverse effect on the Group's business, financial condition and results of operations.

Cooling services tariffs charged by the Group must be approved by the Government and may not reflect the Group's cost of production

The Group substantially generates its revenue from the sale of cooling services to its customers in Dubai and therefore its revenue is dependent upon the tariffs charged to its end-users for the consumption of cooling services.

The Supreme Council of Energy, a governmental body established to regulate the water and energy sector in Dubai is responsible for approving any proposed tariff revisions for DCS, including capacity charges, consumption charges and other charges (such as connection charges, low Delta T charges, excess demand, deposit, among others). See "*Regulation—Supreme Council of Energy*" for more information on the Supreme Council of Energy's objectives, powers and tariff approval and "*Business—Principal Operations—Chilled Water Segment—Tariff Structure*" for more information on the Group's tariff structure.

In addition to the approval of any proposed tariff revisions, the Supreme Council of Energy has the authority to mandate discounts to be provided to end-users. For example, pursuant to directives issued by the Supreme Council of Energy in 2020, the Group provided one-off discounts to its end-users (as a result of DEWA's one-off discounts on its water and electricity charges, which the Group was obligated to pass on to its end-users) during the year ended 31 December 2020 amidst the COVID-19 pandemic, as well as an additional special discount provided to certain quarantine centres, which together were equal in total to AED 21.5 million.

The last tariff increase was approved in 2003 (see “*Business–Principal Operations–Chilled Water Segment–Tariff Structure*”), and there can be no assurance that the Government will agree to any increase to the Group’s tariffs proposed to it by the Board of Directors in the future. Furthermore, the Regulatory and Supervisory Bureau for the Electricity and Water Sector (“RSB”) published further regulations for district cooling providers in connection with tariffs on 14 July 2022. Pursuant to the new regulatory regime, any proposed change to the Group’s pricing structure will be subject to the review and approval of the RSB. If operating costs rise in connection with the new regulatory regime or otherwise and the Group is unsuccessful in procuring an entitlement to increase its tariffs (or is not able to adjust existing fuel surcharges to offset part or all of the rise in operating costs), there is a risk that the Group may realise a loss in its operating income if expenditures exceeds its revenue, which could result in a material adverse effect on the Group’s business, financial condition and results of operations.

The Group needs permits and licences to undertake its business operations and any revocation, cancellation or non-renewal of any of these permits or licences could have a material and adverse impact on its business

The Group needs permits issued by relevant government agencies, such as the RSB, environmental and civil defence agencies, and generic commercial and industrial licences to operate its district cooling plants. The Group must comply with certain restrictions and conditions to maintain its permits and licences. For example, the Company’s subsidiary, Palm District Cooling LLC, is currently in discussions with the RSB to obtain the relevant permit (which allows it to provide DCS) and submitted the relevant permit application prior to the expiry of the grace period on 30 September 2022, from which the Company’s subsidiaries benefitted pursuant to the Executive Council Resolution No. (6) of 2021, Regulating the Provision of District Cooling Services in the Emirate of Dubai (“Executive Council Resolution No. (6) of 2021”). On 20 October 2022, Empower Snow LLC, one of the Company’s subsidiaries, received its permit from the RSB to provide DCS. However, the grace period has not been extended, the relevant permit for Palm District Cooling LLC is currently pending and no assurance can be made regarding the approval of such permit application. Palm District Cooling LLC has continued to provide DCS while the permit application is pending. If Palm District Cooling LLC is unable to obtain such permits from the RSB, it could be exposed to penalties of AED 65,000 for providing DCS without a permit and such penalties could be doubled if such permit application has not been approved within one year from the date of the previous penalty pursuant to article 15 of the Executive Council Resolution No. (6) of 2021. Given that the Company is currently ultimately beneficially owned by the Government, it is not currently required to hold such permit from the RSB. However, in connection with the Offering the Company has been converted to a public joint-stock company and will also be required to obtain such permit from the RSB. As of the date of this Prospectus, neither the Company nor Palm District Cooling LLC have been issued any permit by the RSB. To the extent the Company and Palm District Cooling LLC are unable to obtain such permits from the RSB soon after the Offering, each of the Company and Palm District Cooling LLC could be exposed to penalties described above and could have a material adverse effect on its business, financial condition and results of operations. If the Group fails to comply with any of the conditions required for obtaining and maintaining its permits and licences, its permits and licences could be cancelled or revoked, or the renewal of its permits or licences, upon expiry of their original terms, may be delayed, which could materially adversely impact the Group’s business, financial condition and results of operations.

The loss of one or more of the Group’s significant master developers could have a material adverse effect on its business, financial condition and results of operations

For the year ended 31 December 2021, the Group’s three biggest master developers, Dubai Properties LLC, Nakheel PJSC and the Atlantis hotel accounted for 5.5%, 3.7% and 3.5%, respectively, (compared to 5.7 %, 6.4% and 3.3%, respectively, for the six months ended 30 June 2022) of the Group’s revenue.

Any factor, including but not limited to default, repudiation, termination, extended force majeure or expropriation, which affects the Company’s ability to recover the full amount of the revenue due to it under one of its contracts with these master developers or under any of the Group’s contracts generally could have a material adverse effect on the Group. In any such case, although the Group may be entitled

to contractual remedies against the master developer or master developers concerned, the enforcement of contractual remedies can be a time-consuming and expensive process and there is no certainty that the Group would successfully recover any or all of the amounts owed to it which could result in a material adverse effect on the Group's business, financial condition and results of operations.

The Group is dependent on DEWA for its supply of electricity and water

The Group depends solely on the supply of electricity and water from DEWA, its major shareholder, for its district cooling plants, and there are no written supply agreements between the Company and DEWA. The Group procures electricity and water from DEWA on an arm's length basis, at standard commercial rates. DEWA is the only electricity and water supplier in Dubai, so to the extent their operations are impacted by way of outages, disruptions or otherwise, it would also have an impact on the Group's operations.

There can be no assurance that electricity and water supplies will be sufficient to meet all of the Group's energy requirements in the future or that DEWA will be able to meet all of the Group's forecasted electricity and water demands. Further, if the supply of electricity or water to any of the Group's district cooling plants is interrupted for a material period, the Group's ability to operate that district cooling plant and provide DCS could be materially adversely affected. As a result, in addition to any lost revenue, the Group's cost of production may increase, which may result in a material adverse effect on the Group's business, financial condition and results of operations.

The Group faces various risks in the construction of new district cooling plants

The Group plans to construct new district cooling plants in the medium term. One of the principal risks faced by the Group when constructing a new district cooling plant is the construction of one or more buildings to which the district cooling plant is to be connected, in the event such is delayed or simply not completed for any reason. In this case, whilst the Group generally has certain take or pay contractual terms where cooling charges are required to be paid regardless of the progress of the construction of buildings or whether chilled water is actually being used by the end-user, in practical terms, the Group's ability to enforce such terms may be limited, particularly if the master developer or building owner becomes insolvent or the construction ceases. As a result, the Group may not receive any revenue, or may receive less than the originally anticipated revenue, from the district cooling plant until completion is achieved by the master developer or building owner and the master developer or building owner begins to receive revenues from its building, development or project.

When constructing a new district cooling plant, the Group faces a number of other risks, including:

- requirements to make significant capital expenditure without receiving cash flow from the project concerned until future periods;
- possible shortage of cash to fund construction and capital improvements and the related possibility that financing for such construction and capital improvements may not be available to the Group on suitable terms or at all;
- delays in obtaining, or a failure to obtain, all necessary governmental and regulatory permits, approvals and authorisations, including right of way permits, which are integral to the installation of the water pipes used in district cooling;
- fraud, theft, misappropriation or other improper activities by the Group's suppliers, sub-contractors, service providers, designers, engineers, customers or its own employees;
- an inability to complete projects on schedule or within budget; and
- non-availability of infrastructure for the plant, including electricity and water utility and blowdown infrastructure.

There can be no assurance that the Group's current or future projects will be completed in the anticipated timeframe or at all, whether as a result of the factors specified above or for any other reason.

Any of the aforementioned factors could materially delay the completion of a project or materially increase the costs associated with a project.

In addition, when constructing new district cooling plants, the Group requires delivery and assembly of a range of technical equipment. The Group cannot provide any assurance that it will be able to purchase a sufficient quantity of technical equipment to satisfy its construction targets, or that certain suppliers will not give priority to other market participants, including competitors. Any significant delay by the Group's suppliers in the performance of their contractual commitments, or inability of its suppliers to meet those commitments, unavailability of components and equipment, or failure of components and equipment to meet the Group's needs and expectations could result in delays to construction timetables and result in new revenue streams being delayed and the costs of construction increasing, both of which would materially adversely impact the Group's business, financial condition and results of operations.

The Group's district cooling plants, pipelines and cooling infrastructure are purpose-built for master developers or building owners who may default under their contractual obligations with the Group

The Group builds its district cooling plants, pipelines and cooling infrastructure to meet the demands of master developers and building owners in specific locations. If a master developer or building owner defaults on its contractual obligations or abandons the building, development or project for which the district cooling system has been built, it may be difficult or impossible to use the district cooling system for alternative master developers or building owners, or purposes, which may require the Group to write-off the value of the assets involved. Alternative master developer or building owner may not have a similar creditworthiness, proximity to the existing plant, capacity needs or high density demand for cooling. Even if alternative master developers or building owners could be procured for a particular plant, there can be no guarantee that the contractual terms would be similar to the initial contractual terms or that the capacity charges would be as profitable or that the cost of additional capital expenditure to service the new master developer or building owner could be fully recovered, which again may require the Group to make impairments against the relevant assets. Furthermore, in the event of a sale of a project, or a building, to an alternative master developer or building owner, the Group may need to restructure the contract with and may be subject to new terms. These factors could materially adversely affect the Group's profitability in any period.

In addition, while the Group has put in place measures to seek to manage such risks, when constructing a new district cooling plant the Group may complete a plant, but the construction of the buildings to which the district cooling plant is due to be connected is delayed or simply not completed (whether because the developer becomes insolvent or the construction becomes uneconomic or for other reasons). In such cases, the Group's ability to enforce contractual agreements may be limited, particularly if the master developer or building owner becomes insolvent or the construction ceases. As a result, the Group may not receive any revenue, or may receive less than the originally anticipated revenue, from the district cooling plant until completion is achieved by the master developer or building owner and the master developer or building owner begins to receive revenues from its building, development or project.

The Group's operations and other expansion projects are subject to a range of development and construction risks

The Group's long-term strategy is to expand its district cooling portfolio. The Group designs, builds, owns, operates and maintains its district cooling plants at its own cost. These projects often require substantial capital expenditure and may take months or years before they become operational, during which time the Group may be subject to a number of construction, operating, project and other risks beyond its control. For further information on the construction risks, see "*The Group may face risk in the construction of new district cooling plants*". In addition, the Group may face a risk with contract renewals or terminations in the event of a material change to an existing project, building, or future master development.

The occurrence of one or more of these events may negatively affect the Group's ability to complete its current or future expansion projects on schedule or within budget, if at all. This may result in the Group's

inability to supply district cooling in accordance with demand and may result in a material adverse effect on the Group's reputation, business, financial condition and results of operations.

The Group's counterparties may default on their contractual obligations as a result of difficult market conditions or other reasons

The Group enters into contracts with master developers, contractors, sub-contractors, architects, engineers, operators, suppliers and other service providers in connection with the development and construction of its district cooling plants and accordingly, is subject to the risk that a counterparty will be unable or unwilling to honour its contractual obligations and that any guarantee or performance bond in respect of such obligations will not be honoured. Such counterparties may default on their obligations due to, *inter alia*, bankruptcy, lack of liquidity or operational failure. Such counterparty risk is more acute in difficult market conditions where there is an enhanced risk of default by counterparties. Failure by a material counterparty or, where relevant, its guarantor, to fulfil its contractual obligations could delay the completion of a project or impact the operations of a completed project. Even though the arrangements entered into by the Group with its counterparties may allocate some of the risk of delays or failure to the master developers or contractors through the use of performance bonds, the Group may be unable to seek indemnification from its master developers or contractors with respect to any breach, failures or delays and accordingly, the Group may have to bear the additional costs required to complete a project. In addition, the Group is subject to counterparty risk in relation to insurance companies and banks, with whom funds are kept on deposits.

As a result of the COVID-19 pandemic, the above risks may be further exacerbated. Since March 2020, the governments of various countries have imposed nationwide lockdowns, intermittently introducing and relaxing restrictions. While the Group has continued to deliver positive financial performance through the COVID-19 pandemic to date and has been able to avoid redundancy programmes with respect to its employees, the Group experienced decreased demand for district cooling, mostly from corporate end-users (partially offset by an increase in consumption from residential end-users), during the 2020 lockdown in Dubai due to increased remote working, social distancing measures and self-isolation or quarantine measures.

In the event of future lockdowns or other national restrictions, the Group cannot be certain of the speed of the construction and development of its projects, or of the availability of labour, components and materials for its projects. The Group may also lose key workers due to COVID-19 related illness and related issues.

Pursuant to directives issued by the Supreme Council of Energy in 2020, the Group also provided one-off discounts across all of its end-users from year ended 31 December 2020 amidst the the COVID-19 pandemic, (as a result of DEWA's one-off discounts on its water and electricity charges, which the Group was obligated to pass on to its end-users), as well as an additional special discount provided to certain quarantine centres, which together were equal in total to AED 21.5 million. Although the discounts had impacted the Group's cash flow, the Group was still able to achieve and surpass its financial targets for 2020.

The occurrence of one or more of these events may negatively affect the Group's ability to complete its current or future expansion projects on schedule or within budget, if at all. This may result in the Group's inability to supply district cooling in accordance with demand and may result in a material adverse effect on the Group's reputation, business, financial condition and results of operations.

Unexpected equipment failures, or third-party damage to the Group's distribution networks, may disrupt the Group's ability to operate its district cooling plants

Interruptions in the production capabilities of one or more of the Group's district cooling plants could reduce the Group's revenue and profit for the affected period. The Group's district cooling plants are also subject to the risk of catastrophic loss due to unanticipated events. Each of the Group's district cooling plants is dependent upon critical pieces of equipment, which could reduce the relevant plant's production capacity or incur downtime as a result of unanticipated defects, failures or aging infrastructure. Furthermore, assets that have aged beyond their expected useful lives may experience

a higher rate of failure. Failure of aging infrastructure could result in increased capital expenditure or property damage, and in safety, environmental and public health impacts.

The Group deploys SCADA technology, and a majority of the Group's district cooling plants across Dubai are connected to its centrally located Command Control Centre, which monitors the operations of all of its district cooling plants remotely and observes the associated network 24 hours a day, seven days a week. Network failures and equipment defects are alerted immediately, allowing a dedicated team to address them. From time to time, there have been instances of short-term outages and disruptions that have affected the Group's end-users. Notwithstanding the above, the Group has in the past, and could in the future, experience inoperability or reduced production capabilities in one or more of its district cooling plants due to equipment failure. In particular, the failure of Group's operations and maintenance team to identify systems failures (such as (i) chiller shutdowns caused by power supply faults or shorts, or overcurrent or voltage issues, or (ii) compress surges and chiller trips) in the Group's major assets at an early stage could lead to a higher number of failures, lower reliability and availability of its district cooling plants, a less sustainable portfolio and increased spending on maintenance.

In addition, damage to any of the Group's chilled water distribution networks by third parties that are undertaking construction and other activities adjacent to the networks could interrupt the operations of a district cooling plant or services to the end-users.

Unexpected interruptions in production capabilities would adversely affect the relevant plant's business, productivity and financial condition. Moreover, any interruption in production capability may require significant capital expenditure to remedy the problem, which would reduce the amount of cash available for the Group's operations. The indemnification under the Group's insurance may not be sufficient to cover such losses. In addition, a long-term disruption could harm the Group's reputation and result in a loss of customers, which could materially adversely affect the Group.

The Group relies on its OT and its IT infrastructure, which may fail or be materially adversely affected by cyber crimes

The Group is heavily reliant on an uninterrupted operation of its operational technology ("OT") as well as its information technology ("IT") infrastructure that includes, amongst others, complex and sophisticated computer, telecommunication, supervisory control centres, data processing, data acquisition, data centres and monitoring systems. If the Group's OT, or its IT infrastructure, including its control centres, data centres, back-up facilities and emergency recovery procedures, or any other IT used throughout its business including its automated facilities, were to fail or become subject to disruptions for any reason (including, without limitation, computer viruses, malicious and destructive code, phishing attacks, and denial of service attacks), such failure could lead to significant increased costs (including to repair the district cooling plant or other assets), reductions in available capacity and output and critical data, which could result in loss of personal data, financial losses and reputational damage to the Group, or loss of customers, particularly where the IT impacted is end-user-facing. This risk may be further exacerbated where the Group's projects make up a critical part of the national infrastructure which may become the target of politically motivated actors, including by way of attacks on physical assets or cyber-attacks which could disrupt the Group's OT or its IT infrastructure.

In addition, remote working during the COVID-19 pandemic lockdown has put and continues to put additional strain on the Group's IT infrastructure. Moreover, there is a risk that the IT security systems set up by the Group to help prevent cyber-attacks or leaks of sensitive information could be affected by cybercrimes.

If any of these risks materialise, this could negatively impact the Group's revenues and could have a material adverse effect on its business, financial condition and results of operations. For more information on the Group's IT infrastructure, see "*Business–Information Technology*".

The Group's business may be harmed if it fails to attract and retain qualified and experienced employees

If the Group is unable to retain experienced, capable and reliable personnel, especially senior and middle management, engineers and IT professionals, with appropriate professional qualifications, or

fails to recruit skilled professional and technical staff, the Group's operations may be adversely affected. Experienced and capable employees in the engineering and technical fields remain in high demand in Dubai, and there is significant competition for these employees. Consequently, when talented employees leave, the Group may have difficulty replacing them and may incur additional costs and expenses in securing such replacements.

The loss of any member of the Group's senior management team or the loss of any of the Group's other key employees may result in a loss of organisational focus, poor execution of operations or an inability to identify and execute potential strategic initiatives such as expansion of capacity. The occurrence of any of these events may have a material adverse effect on the Group's business, financial condition and results of operations.

Certain of the Group's senior management have limited or no experience in managing a publicly listed company

Some of the Group's senior management have limited or no experience in managing a publicly listed company and complying with the specific laws and regulations pertaining to public companies listed in the UAE. While the Group has historically sought to operate in accordance with robust internal policies and procedures, the regulatory oversight, compliance and reporting obligations imposed on publicly listed companies will require substantial attention from the senior management, including in order to rapidly invest time and financial resources in the appropriate governance and compliance infrastructure, as well as to attract, empower, and retain professionals able to ensure governance and compliance in a manner that meets or exceeds legal and regulatory requirements for a publicly listed company. There can be no assurance that such senior management will be successful in this transition, which could have a material adverse effect on the Group's business. Non-compliance in a timely manner with the regulations and disclosure requirements imposed on listed companies may expose the Group to regulatory sanctions and fines. The imposition of fines on the Company could adversely impact the Group's business, financial condition and results of operations.

The Group's operations may be materially adversely affected by natural disasters, climate change, terrorist attacks or other catastrophic events that are beyond the Group's control

The Group's business operations could be adversely affected or disrupted by impacts of climate change (such as, rising sea levels), natural disasters (such as, earthquakes or tsunamis, among others) or other potentially catastrophic events, as well as interruptions or shortages in the supply of utilities (such as water and electricity) that could disrupt the Group's operations and are beyond its control. The frequency and severity of natural disasters have increased in the past decade due to abnormal environmental and climate-related changes. There can be no assurance that its business operations will not be disrupted by the damage caused by any of the foregoing.

The Group may also be exposed to the effects of man-made disasters including major accidents and incidents, international and regional armed conflicts, hostilities, criminal acts and terrorist attacks, all of which are beyond the Group's control. The continued threat of terrorist activity and other acts of war, or hostility, have significantly increased the risk of political, economic and social instability in the UAE. It is possible that acts of terrorism may occur in the UAE and such acts of terrorism could be directed against the Group's property and personnel. Although the Group has not experienced any significant property losses, or material adverse effects on its results of operations or financial condition as a result of terrorism and regional political instability or war, no assurance can be given that the Group will not be affected by such events in the future.

While the Group seeks to take precautions against natural and man-made disasters, maintains disaster recovery strategies and purchases levels of insurance coverage that it regards as commercially appropriate, should any damage occur and be substantial, the Group could incur losses and damages not recoverable under its insurance policies, which could have a material adverse effect on the business, financial condition and results of operations of the Group.

The Group may not be able to maintain sufficient insurance coverage for the risks associated with the operation of its business

The Group's operations may be affected by a number of risks, including terrorist acts and war-related events, for which full insurance cover is either not available or is not available on commercially reasonable terms. In addition, severe or frequently occurring events, such as accidents and other mishaps, business interruptions or potential damage to its facilities, property and equipment caused by inclement weather, human error, pollution, labour disputes and natural catastrophes, may result in losses or expose the Group to liabilities in excess of its insurance coverage or significantly impair its reputation. The Group cannot assure investors that its insurance coverage will be sufficient to cover losses arising from any, or all such events, or that it will be able to renew existing insurance policies on commercially reasonable terms, if at all.

Should an incident occur in relation to which the Group has no insurance coverage or inadequate insurance coverage, the Group could lose the capital invested in, and anticipated future revenue relating to, any property that is damaged or destroyed and, in certain cases, the Group may remain liable for financial obligations related to the impacted property. Similarly, in the event that any assessments are made against the Group in excess of any related insurance coverage that it may maintain, its assets could be subject to attachment, confiscation or restraint under various judicial procedures. Any of these occurrences could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may not be able to remain compliant with changing environmental laws

The risks of environmental damage such as pollution, contamination and leakage are inherent in the utilities industry. The Group is subject to environmental regulations passed at UAE federal level as well as by the Government. The Group is compliant with ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ISO 27001:2013, see "*Business–Health and Safety*". These regulations set various standards for regulating certain aspects of environmental quality and impose civil and criminal penalties for violations. In addition, compliance with specific legal and regulatory provisions may be required in environmentally sensitive areas of the Group's operation, such as waste discharge. While as at the date of this Prospectus, the Group is not and has not been in violation of any applicable environmental regulations in the UAE, there can be no assurance that the Group will be fully compliant at all times in the future. Any incidents of environmental damage may result in disruption to the Group's services, projects and operations, reputational harm to the Group and significant liability could be imposed on the Group for clean-up costs, damages to third parties or penalties for non-compliance with environmental laws and regulations. The occurrence of any of such events may have a material adverse effect on the Group's business, financial condition and results of operations.

Further, the Group cannot predict what prospective environmental legislation may be enacted, or how existing or future laws will be interpreted, administered or enforced. In addition to the aforementioned regulatory bodies, the Group is also subject to regulation by the Dubai Municipality. The Dubai Municipality has very wide powers which include the implementation and enforcement of environmental regulations. For further information, see "*Regulation–Environmental Regulation*". Although the Group does not currently expect the Dubai Municipality to impose more extensive or stringent environmental laws and regulations on the Group, compliance with any new environmental laws and regulations that may be implemented in future, or more vigorous enforcement policies and activities by any regulatory authority, have in the past and could result in the future in additional costs to the Group, requiring additional expenditure, for example from the installation and operation of systems for remedial measures, or the payment of fines or penalties. The occurrence of any of such events may have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may face occupational health and safety risks

The Group's operations are subject to extensive laws and regulations relating to the maintenance of safe conditions in the workplace and protection of the work environment, and the Group also has in place extensive procedures in respect of such matters. Nonetheless, the Group's district cooling plant

operations expose its employees to a wide range of hazards, including electrical lines, heavy equipment, mechanical failures, transportation accidents, fires, industrial accidents and adverse weather conditions, and expose the Group to the risk of damage to equipment and property. Any of the foregoing may have a material adverse effect on the Group's business, financial condition and results of operations.

Furthermore, one risk that has been associated with wet cooling towers in the past in countries outside the UAE is the presence of legionella bacteria which can cause legionnaire's disease. The Group takes appropriate steps to manage this risk in compliance with Government regulations and to date no material levels of such bacteria have been detected in its wet cooling towers. Nevertheless, an outbreak of legionnaire's disease would impact the operations of the relevant district cooling plant and could potentially cause personal injury or death to employees or members of the public, which in turn would result in additional liability or loss for the Group and would have a material adverse effect on the Group's reputation, business, financial condition and results of operations.

Health and safety hazards have in the past and could in the future cause serious injury, disability or death to the Group's employees, damage to or destruction of the Group's property and equipment, and other consequential damages, which could lead to claims, impact operations, or other liability. In addition, if serious accidents or fatalities occur (or the Group's safety record were to deteriorate), in particular due to employees not having the proper permit-to-work or not complying with health and safety regulations, the Group may be restricted from undertaking certain operations, which could have an impact on the Group's profitability. While the Group regularly reviews its health and safety procedures and efforts to help ensure a strong health and safety record, the occurrence of such incidents in the Group's business could result in significant liabilities, employee turnover, increased costs or harm its ability to perform under its contracts or enter into new contracts with customers, any of which could adversely impact the Group's business, financial condition and results of operations.

The Group's investments into new businesses and innovation, including those made through acquisitions, may not be successful or commercially viable

The Group makes (directly by the Company or through its subsidiaries) investments into new businesses and innovation, including technologies that may be partly untested or in very early stages, as part of its growth strategies. These investments are related to the Group's core business or the business of established subsidiaries. Although the Group does not believe that the technology it has implemented or may in the future implement is at a materially greater risk of failure than that used by other similar organizations, the technology and operations that use or rely on technology remain vulnerable to damage or interruption from, among other things: failure or interruption of the technology or its related systems; loss or failure of power, internet, telecommunications or data network systems; and operator error or improper operation by, the negligent or improper supervision of, or the intentional acts of, employees, contractors and other third parties. Any or all of these events could have a material adverse impact on the Group's business, financial condition and results of operations.

In addition, the Group expects to expand its operations with additional acquisitions. For example, on 27 October 2021, the Company signed a heads of terms agreement with Dubai Aviation City Corporation and Dubai Airports Corporation ("**Heads of Terms**") in relation to the announced proposed acquisition of 85% of the district cooling systems of Dubai International Airport (the "**Dubai International Airport District Cooling Acquisition**"). The Heads of Terms is non-binding and represents an agreement between the parties to cooperate and negotiate in good faith to enter into transaction documents establishing the Dubai International Airport District Cooling Acquisition. For further information, see "*Material Agreements—Heads of Terms Agreement with Dubai Airport*". As of the date of this Prospectus, although the Company expects to complete the Dubai International Airport District Cooling Acquisition soon after the Offering, there are no definitive agreements in place in connection with such acquisition and it remains yet to be completed. With respect to the Group's additional acquisitions, the Group may be unable to identify or complete prospective acquisitions (such as the Dubai International Airport District Cooling Acquisition) for many reasons, including competition from other potential acquirers, the effects of consolidation in the Group's sector and potentially high valuations of acquisition targets. If the Group is unable to identify suitable targets or complete acquisitions, it may not be able to maintain a

significant market share and hence leading position. There can be no assurances that these investments or acquisitions will be successful or commercially viable and the failure of any such investments or acquisitions may have an adverse effect on the Group's business, financial condition and results of operations.

To the extent that the Group completes acquisitions, it may be unsuccessful in integrating acquired companies with existing operations, or the integration may be more difficult or more costly than anticipated. Some of the risks that may affect the Group's ability to integrate or realise anticipated benefits from acquired companies, businesses, or assets include those associated with:

- unexpected losses of key employees of the acquired company;
- conforming the acquired company's standards, processes, procedures, and controls with the Group's operations;
- ability to connect acquired assets to the Group's infrastructure and the requirement to expand or extend existing infrastructure
- coordinating new product and process development;
- increasing capacity at acquired district cooling plants;
- a decrease in demand for capacity from the acquired assets;
- increasing complexity from combining operations;
- increasing the scope, geographic diversity and complexity of the Group's operations;
- difficulties in consolidating facilities and transferring processes and know-how;
- diversion of management's attention from other business concerns; and
- actions the Group may take in connection with acquisitions, such as:
 - using a significant portion of the Group's available cash;
 - incurring significant debt;
 - incurring or assuming contingent liabilities, known or unknown, including potential lawsuits, infringement actions, or similar liabilities;
 - incurring impairment charges related to goodwill or other intangibles; and
 - facing regulatory inquiries or actions.

In addition, the Group has in the past and may in the future make acquisitions where the long-term contracts of the acquired company are less favourable than the terms used by the Group in its general form of customer contracts (including standard terms and conditions with end-users or master development agreements or concession agreements with master developers or building owners, as applicable) or where the cost of operating the acquired assets are higher than the Group's existing assets, which has in the past and could in the future lower the Group's EBITDA margin. While the Group evaluates existing customer contracts prior to entering into any acquisitions, the terms in such customer contracts may not be as profitable to the Group as the contracts the Group has entered into through organic growth. The market price of the Group's Shares could be adversely affected if the effect of any acquisitions on its consolidated financial results is dilutive or is below the market's or financial analysts' expectations, or if there are unanticipated changes in the business or financial performance of the acquired or combined company. Any failure to successfully integrate acquired businesses may disrupt the Group's business and adversely impact the Group's business, financial condition and results of operations.

The Group's business operation management systems may not be able to prevent all incidences of negligence or mistake

The Group's management systems, which cover matters including district cooling plant operation, quality, costs, health, safety and environmental protection, financial results and performance management information are essential to the effective management, progress, reliability, safety and profit margins of its operations. In particular, the reliability of the Group's services is critical to the success of its business. Accordingly, the Group must maintain effective control systems for its business operations. Effective control depends on various factors, including the mechanism of its control system, management of the individual district cooling plants, provision of sufficient training to its employees and its ability to ensure that employees adhere to its control policies and guidelines. Any negligence or mistake in operating its control systems could subject the Group to contractual and other claims. Any such claims, regardless of outcome, could cause the Group to incur significant costs, harm its business reputation and result in significant disruption to its operations.

The Group may face risks related to undetected errors or defects in products or solutions

The Group's products or solutions could contain errors or defects that the Group has not been able to detect and that could adversely affect the performance of the products or solutions and negatively impact the demand therefor. If errors or defects are discovered, the Group may have to incur significant capital expenditure to eliminate them and may not be able to successfully correct them in a timely manner or at all. Errors and failures in products or solutions could result in a loss of, or delay in, market acceptance of such products or solutions and could damage the Group's reputation. Any such errors or defects could result in adverse customer reactions and negative publicity, because many of the Group's customers and potential customers are highly sensitive to defects in the products or solutions they use. Furthermore, any errors in products or solutions could result in the need to provide concessions and corrective measures to existing customers in order to maintain their business. The Group also relies on software, hardware and applications from various third parties to deliver its services and solutions, in addition to its use of some open-source software. The Group has entered into a number of agreements with suppliers that include technology solutions. If any of these software, hardware or applications become unavailable due to extended outages or because they are no longer available on commercially reasonable terms or in the event that agreements with suppliers are terminated for any reason including the Group's violation of its contractual terms under those agreements, it could result in delays in the provisioning of the Group's services until equivalent technology is identified, obtained and integrated, which could increase the Group's expenses or otherwise harm its business. While the Group seeks to closely collaborate with its third-party suppliers of software, hardware and applications with a view to streamlining the acquisition and integration of technology, there can be no assurance that the current relationships between the Group and its suppliers will continue in their current form. Changes in these supplier relationships may impact the ability of the Group to procure tailored services and technology from such suppliers, which may increase the Group's expenses, capabilities or otherwise harm its business.

In addition, any errors or defects in or failures of this third-party software, hardware or applications could result in errors or defects in or failures of the Group's services and solutions, which could harm its business and could be costly to correct. Many of these suppliers attempt to impose limitations on their liability for such errors, defects or failures, and, if enforceable, the Group may have additional liability to its customers or third-party providers that could harm the Group's reputation and increase its operating costs. If any of the above-mentioned risks materialise, it would have a material adverse effect on the Group's business, financial condition and results of operations.

The Group relies on suppliers, manufacturers, service providers sub-contractors and other third parties

In order to operate and manage its business, the Group relies on products and services provided by third parties, primarily suppliers and sub-contractors. The Group also partners with global technology vendors and integrates them into the solutions that it offers to customers. The Group has entered into a number of agreements with suppliers that include technology solutions. The Group has also

subcontracted a number of entities to implement specific projects for master developers and building owners. If the Group loses access to third-party products, margins tighten on its third-party products, or the Group's agreements with any of its suppliers expire and the Group is unable to renew or replace them with other agreements with other suppliers, at all or on favourable terms, this may adversely affect the Group's business. Any restriction by any third-party suppliers and sub-contractors upon which the Group relies in addition to the temporary and permanent discontinuation of their business or inability to provide their services at prices or conditions acceptable to the Group will adversely affect the Group. Accordingly, this will have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may be involved in litigation from time to time

The Group is currently and expects to continue to be party to legal or administrative proceedings, contract disputes or liability claims, and the Group is currently named as a defendant in legal proceedings, whether related to contractual disputes or other factors, in connection with the services that it undertakes in the ordinary course.

Any litigation, pending, threatened or future claims against the Group and subsequent liability, warranty obligations, and other liabilities which, to the extent not covered by any applicable insurance or which exceeds such insurance limits, could result in a financial loss and, accordingly, adversely impact the Group. In addition, litigation can be lengthy to pursue, is expensive and may divert management's attention from operating the business in the ordinary course. In cases where one or more of the Group's master developers are in default or are otherwise delaying payments, enforcement, whether through litigation or negotiation, may not provide a timely remedy to enable the Group to meet its debt service requirements. There is also no certainty of a successful outcome and any unsuccessful litigation, whether as plaintiff or defendant, could result in reputational damage which could adversely impact the Group's business, financial condition and results of operations.

The Group is subject to adverse publicity and reputational risks, which make it vulnerable to negative customer perception and have an adverse economic impact or could lead to increased regulatory oversight or sanctions

The Group's business and operations have a large direct and indirect customer base and, as a result, it is exposed to public criticism regarding, among other things, the reliability of DCS, and the amount, timeliness, accuracy and format of bills that are provided for such services. Furthermore, while the Group has developed and implemented internal controls, policies and procedures designed to prevent or mitigate employee misconduct or misconduct by third parties, including agents, such controls, policies and procedures may not be effective in and may be difficult to monitor and enforce with third parties and agents. For example, it is not always possible to identify and deter misconduct or errors by the Group's employees or third parties and the precautions the Group takes to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses. The discovery of misconduct or fraudulent activities by any of the Group's employees or third parties could result in significant negative publicity in relation to such misconduct and harm the Group's reputation and brand.

Adverse publicity and negative customer sentiment arising out of these and other incidents may render customers (such as master developers), legislatures and other governing bodies, regulatory authorities and government officials less likely to view the Group in a favourable light, and may cause it to be susceptible to less favourable legislative, regulatory and economic outcomes, as well as increased regulatory or other oversight and more stringent regulatory or economic requirements. Unfavourable publicity could lead to adverse regulatory and economic outcomes, including the enactment of more stringent laws and regulations governing the Group's operations, as well as fines, penalties or other sanctions or requirements. The imposition of any of the foregoing could have a material adverse effect on the Group's business, financial condition and results of operations.

Non-compliance with sanctions, anti-money laundering, anti-bribery or anti-corruption laws, or any other applicable laws, could expose the Group to legal liability and affect its reputation, business, financial condition and results of operations

The Group's business activities may be subject to sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC"), the U.S. Department of State, the U.S. Department of Commerce, the United Nations Security Council, the European Union or Her Majesty's Treasury, as well as anti-money laundering, anti-bribery and anti-corruption laws, and any other applicable laws. While the Group maintains a set of know-your-customer guidelines and seeks to comply with all applicable laws, there is no certainty that all of the Group's employees, agents, contractors or collaborators, or those of its affiliates, will comply at all times with the Group's compliance policies or all applicable laws and regulations, particularly given the high level of complexity of these laws. Violations of these laws and regulations could result in fines, reputational harm to the Group, implementation of compliance programs, prohibitions on the conduct of its business and criminal sanctions against the Group, its officers or its employees. Any such violations could include prohibitions that could materially damage the Group's reputation, brand, ability to attract and retain employees, and the Group's business, financial condition and results of operations.

The Group may infringe third-party intellectual property rights

The Group currently licenses intellectual property from a variety of third parties and other registered software owners. It may be necessary in the future to renew licences relating to various aspects of these licences or to seek new licences for existing or new platforms or other products or services. There can be no assurance that the necessary licences would be available on commercially acceptable terms, if at all. Third parties may terminate their licences with the Group for a variety of reasons, including actual or perceived failures or breaches of security or privacy, or reputational concerns, or they may choose not to renew their licences with the Group. The loss of, or inability to obtain, certain third-party licences or other rights or to obtain such licences or rights on favourable terms, or the need to engage in litigation regarding these matters, could result in product roll-backs, delays in product releases until equivalent technology can be identified, licensed or developed, if at all, and integrated into the Group's services or platforms, and may have a material adverse effect on the Group's business, financial condition and results of operations.

In addition, licences for the programs provided by suppliers regularly contain specific conditions with regard to the number of users per license and the license scope. Any infringement of such licences by the Group, for example by not obtaining the correct number of licences or exceeding the scope of such licences, could lead to substantial costs to the Group due to any fines or penalties imposed under the terms of those licences, which would have an adverse effect on the Group's business, financial condition and results of operations.

Risks Relating to Dubai, the UAE and the MENA Region

General economic, financial and political conditions, especially in Dubai, where the Group conducts all of its operations, may materially adversely affect the Group's business, financial condition and results of operations

General economic, financial, and political conditions, especially in Dubai where the Group conducts all of its operations, may have a material adverse effect the Group's business, financial condition and results of operations. An adverse change in the credit rating of the UAE, decline in consumer confidence and/or consumer spending, changes in unemployment, significant inflationary or deflationary changes or disruptive regulatory or geopolitical events could contribute to increased volatility and diminished expectations for the economy and markets, including the market for the Group's products and services, and lead to demand and/or cost pressures that could negatively and adversely impact the Group's business, financial condition and results of operations. The UAE's economy may be adversely affected by tightening global economic conditions and external shocks, including financial market volatility, trade disruptions and protectionist trade policies or threats thereof. In particular, a global shift in policies, including towards protectionism, with lower global growth due to reduced trade, migration and cross-

border investment flows, could slow non-oil growth in the UAE and Dubai. These conditions could affect all of the Group's business segments. Examples of such conditions could include:

- a general or prolonged decline in, or shocks to, regional or broader macro-economies;
- regulatory changes that could impact the markets in which the Group operates; and
- deflationary economic pressures, which could hinder the Group's ability to operate profitably in view of the challenges inherent in making corresponding deflationary adjustments to its cost structure.

The nature of these types of risks make them unpredictable and difficult to plan for or otherwise mitigate, compounding their potential impact on the Group's business, financial condition and results of operations.

The UAE's economy is significantly affected by volatility in international crude oil prices and its economy has in the past been, and in the future may be, materially adversely affected by lengthy periods of low crude oil prices

The UAE's economy is significantly impacted by international crude oil prices and is highly dependent upon its hydrocarbon-related revenue. Crude oil prices have historically fluctuated in response to a variety of factors beyond the Group's control, including (without limitation):

economic and political developments both in oil-producing regions, particularly in the MENA region, and globally (see *"General economic, financial and political conditions, especially in Dubai and elsewhere in the UAE, where the Group conducts all of its operations, may materially adversely affect the Group's business, financial condition and results of operations"*);

global and regional supply and demand, and expectations regarding future supply and demand, for oil and gas products;

the ability of the members of OPEC and OPEC+ to agree upon and maintain specified global production levels and prices;

the impact of international environmental regulations designed to reduce carbon emissions, and global weather and environmental conditions; and

prices, availability and trends relating to the use of alternative fuels and technologies.

Many economic sectors within the UAE remain in part dependent, directly or indirectly, on crude oil prices, so extended periods of low crude oil prices may have a negative impact across the economic landscape of Dubai and other Emirates. For example, the Dubai, Abu Dhabi or other Emirati governments may decide to reduce their expenditures in light of the budgetary pressures caused by lower crude oil prices, which may, in turn, reduce fiscal spending on infrastructure and other projects that create revenue streams for both public and private entities. Local financial institutions may experience lower liquidity (if significant government and government-owned company deposits are withdrawn to fund deficits) or higher loan losses or impairments. Furthermore, businesses that are dependent on household consumption, including consumer products, education, healthcare and housing, may be adversely affected by lower levels of economic activity created by extended periods of low crude oil prices.

As COVID-19 lockdown measures and restrictions on international and domestic travel and transport are eased globally, oil-producing countries may further increase output to meet recovering demand, which may result in further volatility of crude oil prices, both in the UAE and globally.

Any of the factors described above, including further developments with respect to the COVID-19 pandemic (and the possibility of additional waves or resurgences thereof) and OPEC or OPEC+ agreements, could have a material adverse effect on the economic, political and fiscal position of Dubai (and the UAE generally), and may consequently have a material adverse effect on the Group's business, financial condition and results of operations.

Potentially prolonged instability and unrest in the MENA region, or the escalation of armed conflict, may materially adversely affect the Group's business, financial condition and results of operations

Although Dubai and the wider UAE enjoy domestic political stability and generally healthy international relations, since 2011 there has been political unrest in a number of countries in the MENA region, including Bahrain, Egypt, Iran, Iraq, Libya, Syria, Tunisia and Yemen. The unrest has ranged from public demonstrations to, in extreme cases, armed conflict and civil war and has given rise to a number of regime changes and increased political uncertainty across the region. It is not possible to predict the occurrence of events or circumstances such as civil unrest, war or other hostilities, or the impact that such events or occurrences might have on Dubai and the UAE. The MENA region currently is subject to a number of armed conflicts including those in Yemen, Syria (in which multiple state and non-state actors are involved, such as the USA, Russia, Turkey and Iran), Iraq and Palestine, as well as conflicts with militants associated with the Islamic State.

The economies of Dubai and the UAE, like those of many emerging markets, have been characterised by significant government involvement through direct ownership of enterprises and extensive regulation of market conditions, including foreign investment, foreign trade and financial services. Whilst Dubai and the UAE have enjoyed significant economic growth and relative political stability in recent years, there can be no assurance that such growth or stability will continue. Moreover, while the Government's policies have generally resulted in improved economic performance, there can be no assurance that such level of performance can be sustained. A general downturn or instability in certain sectors of the UAE or the regional economy could have a material adverse effect on the Group's business, financial condition and results of operations.

Furthermore, Dubai and the other Emirates are, and will continue to be, affected by political developments in or affecting the UAE and the wider MENA region, and investors' reactions to developments in any country in the MENA region may affect securities of issuers in other markets, including the UAE. On 14 September 2019, the Abqaiq processing facility and the Khurais oil field in the KSA were significantly damaged in attacks by unmanned aerial vehicles and missiles, which caused an immediate significant reduction in the oil output of Saudi Aramco. In January 2020, direct confrontation occurred between the USA and Iran when a targeted drone strike killed a senior Iranian military commander in Iraq which was followed by an Iranian attack using ballistic missiles on a USA military base in Iraq. In the course of this confrontation, the government of Iran confirmed that it would no longer adhere to the terms of the Joint Comprehensive Action Plan in respect of Iran's nuclear power programme. On 11 April 2021, a major power failure occurred at the Natanz complex south of Tehran, Iran, as a result of an explosion which has been reported to be caused by an attack on the Natanz complex. On 18 January 2022, Abu Dhabi experienced a drone attack launched by Houthi rebels near the Abu Dhabi airport that killed at least three people. Although the UAE has otherwise generally not experienced terrorist attacks or armed conflict such as those experienced by a number of other countries in the MENA region, there can be no assurance that extremists or terrorist groups will not initiate terrorist or other violent activity in the UAE, or that the UAE will not be impacted by any escalation of regional armed conflict. Any terrorist incidents in or affecting Dubai or the UAE and increased regional geopolitical instability (whether or not directly involving Dubai or the UAE), or any heightened levels of military conflict in the region or globally, including the current Russia-Ukraine conflict, may have a material adverse effect on Dubai and the UAE's attractiveness for foreign investment and capital, their ability to engage in international trade, their tourist industry, and, consequently, their economic, external and fiscal positions, and therefore could adversely impact the Group's business, financial condition and results of operations.

Furthermore, the UAE is dependent on expatriate labour, including unskilled labourers as well as highly skilled professionals in a range of industry sectors, and has made significant efforts in recent years to attract high volumes of foreign businesses and tourists to the country. These steps make the UAE potentially more vulnerable should regional instability increase, foreign militants commence operations in the Emirate, or extremist or terrorist groups engage in activities in the country. In addition, as the government endeavours to further diversify the UAE's economy into other sectors, including tourism,

the exposure to broader regional and global economic trends and geopolitical developments likely will increase.

Dubai and the UAE may decide to introduce new laws and regulations, including the introduction of a corporate income tax, which, if so introduced, could adversely affect the way in which the Group is able to conduct its businesses and its financial condition and results of operations

Emerging market economies generally and the UAE in particular are characterised by less comprehensive legal and regulatory environments than are found in more developed regions. However, as these economies mature, and in part due to the desire of certain countries in the MENA region, including in particular the UAE, to accede to the World Trade Organisation, the governments of these countries have begun, and the Group expects will continue, to implement new laws and regulations which could impact the way the Group conducts its business and have a material adverse effect on the Group's business, financial condition and results of operations.

Changes in investment policies or in the prevailing political climate in the UAE could result in the introduction of changes to government regulations with respect to:

- price controls;
- export and import controls;
- corporate income and other taxes;
- foreign ownership restrictions;
- foreign exchange and currency controls; and
- labour and welfare benefit policies.

The Group is not currently subject to corporate income tax in the UAE, and the UAE has historically not had any tax regime. However, on 31 January 2022 the Ministry of Finance announced that it will introduce a 9% federal corporate tax regime for the first time in the UAE to be applied on the adjusted accounting net profits of a business above AED 375,000, which is expected to be effective in the UAE for financial years commencing on or after 1 June 2023. Businesses with an accounting reference date of 31 December will become subject to this new tax from 1 January 2024. The UAE Federal Tax Authority will be responsible for administering, collecting, and enforcing corporate tax in line with rules and regulations to be issued by the Ministry of Finance. See "*Taxation—UAE Taxation*". There can be no assurance that the introduction of a corporate income tax or any other changes to current laws or taxation would not increase the Group's costs or otherwise materially adversely affect its business, financial condition and results of operations.

The UAE's Emiratisation initiative may increase the Group's costs and may reduce its ability to rationalise its workforce

Emiratisation is an initiative by the UAE government to employ its citizens in a meaningful and efficient manner in the public and private sectors and to reduce its reliance on foreign workers. Under the initiative, companies are encouraged to employ Emiratis in management, administrative and technical positions. However, the cost of employing UAE nationals typically is significantly higher than the cost of employing foreign workers. In addition, meeting and maintaining the Group's Emiratisation targets reduces its flexibility to rationalise its workforce, which limits its ability to reduce costs in many areas of its operations and may be made difficult as a result of the COVID-19 pandemic (particularly if additional waves or resurgences thereof occur). As a result, there can be no assurance that meeting and maintaining the Group's Emiratisation targets will not have a material adverse effect on its business, financial condition and results of operations.

The Group's financial condition and results of operations may be materially adversely affected if the USD/AED exchange rate were to change

The Group maintains its accounts, and reports its results, in UAE dirhams. Although the UAE dirham has been pegged to the US dollar at a rate of AED 3.6725 to USD 1.00 since 1997, there can be no assurance that the UAE Central Bank will continue to maintain this fixed rate in the future, particularly if there continues to be an increased demand for the US dollar as a result of the COVID-19 pandemic and any additional waves or resurgences thereof. Any de-pegging or change to the USD/AED exchange rate could increase the costs that the Group pays for its products or to service its indebtedness or could cause its results of operations and financial condition to fluctuate due to currency translation effects, any of which could have a material adverse effect on the Group's business, financial condition and results of operations.

Risks Relating to the Offering and to the Shares

DEWA, as a major shareholder, will maintain a controlling interest in the Group following completion of the Offering and the interests of the Selling Shareholders may not align with other shareholders and could otherwise have an impact on the Group

DEWA, which is 82% owned by the Government (making it the ultimate beneficial owner of the Company) and currently owns 70% of the shares of the Company, will continue to be a major shareholder of the Group following completion of the Offering. DEWA will hold approximately 63% of the Company's share capital following completion of the Offering (assuming that the Selling Shareholders sell all of the Shares being offered and that the size of the Offering is not increased), and will therefore continue to have a controlling stake in the Group, which includes the ability to appoint three members of the board of directors (the "Board of Directors" or "Board") and determine the outcome of votes at general meetings of shareholders of the Group (other than in any cases where the Selling Shareholders would need to abstain from such vote, such as not participating in the election of the remaining directors). Since the establishment of the Company as a public joint stock company, the Company is mandated to conduct its business on a commercial basis in accordance with the original decree of its establishment and the Dubai Law No. 22 of 2022. While the support of the Selling Shareholders has historically helped to drive and encourage the Group's success, the interests of the independent members of the Board of Directors and those of the Group's Selling Shareholders, may from time to time not be aligned with regards to certain of the Group's strategic or commercial objectives, and in addition there can be no assurance that the Selling Shareholders' interests will coincide with the interests of the Group or all purchasers of the Shares.

Furthermore, DEWA's significant Share ownership may: (i) delay or deter a change of control of the Company (including deterring a third party from making a takeover offer for the Company); (ii) deprive shareholders of an opportunity to receive a premium for their Shares as part of a sale of the Company; and (iii) affect the liquidity of the Shares, any of which could have a material adverse effect on the market price of the Shares.

Substantial sales of Shares by the Selling Shareholders or future issuances of Shares by the Group could depress the price of the Shares

Sales of a substantial number of Shares by the Selling Shareholders following the completion of the Offering or any future issuances of Shares by the Group may significantly reduce the share price. The Selling Shareholders and the Company have agreed in the Underwriting Agreement to certain restrictions on their ability to sell, transfer and otherwise deal in its Shares for a period of 180 calendar days from the Closing Date, except in certain limited circumstances, unless otherwise consented to by the Joint Global Coordinators (such consent not to be unreasonably withheld or delayed). See "Sale of Shares—Lock-up Arrangements". Nevertheless, the Company is unable to predict whether substantial amounts of Shares (in addition to those which will be available in the Offering) will be sold in the open market following the completion of the Offering. Any sales of substantial amounts of Shares in the public market, or the perception that such sales might occur, could materially and adversely affect the market price of the Shares.

The Offering may not result in an active or liquid market for the Shares, and trading prices of the Shares may be volatile and may decline. In addition, the DFM is significantly smaller in size than other established securities markets, which may also affect liquidity in the Shares

Prior to the Offering, there has been no public trading market for the Shares. The Group cannot guarantee that an active trading market will develop or be sustained following the completion of the Offering, or that the market price of the Shares will not decline thereafter below the offer price. The trading price of the Shares may be subject to wide fluctuations in response to many factors, as well as stock market fluctuations and general economic conditions or changes in political sentiment that may adversely affect the market price of the Shares, regardless of the Group's actual performance or conditions in the UAE.

The Company has applied for the Shares to be listed on the DFM. The DFM is substantially smaller in size and trading volume than other established securities markets, such as those in the United States and the UK. As of 30 June 2022, there were 70 companies with securities traded on the DFM (including Nasdaq Dubai) with a total market capitalisation of approximately AED 527 billion. The DFM had a total regular average daily trading volume of AED 16 million as of 30 June 2022. Brokerage commissions and other transaction costs on the DFM are generally higher than those in Western European countries.

These factors could generally decrease the liquidity and increase the volatility of share prices on the DFM, which in turn could increase the price volatility of the Shares and impair the ability of a holder of Shares to sell any Shares on the DFM in the desired amount and at the price and time achievable in more liquid markets.

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

The distribution of dividends by the Company will be dependent upon a number of factors, including the future profit, financial position, capital requirements, statutory reserve requirements, the amount of distributable reserves, available credit of the Company and general economic conditions and other factors that the Board of Directors deem significant from time to time. Also, the Company's ability to declare and pay dividends on the Shares may be restricted by, among other things, covenants in any credit facilities that the Company may enter into in the future, the recovery of any incurred losses in the future and provisions of UAE law. While the Company has historically been able to pay regular dividends, and intends to pay dividends in respect of the Shares, there can be no assurance that any dividend will ever be paid, nor can there be an assurance as to the amount, if any, which will be paid in any given year.

In addition, any decision to declare and pay dividends in the future will be made at the discretion of the shareholders in the general assembly upon recommendation of the Board of Directors and will depend on, among other things, applicable law and regulations, the Group's results of operations, financial condition, cash requirements, contractual restrictions, future projects and plans and other factors that Board of Directors and the shareholders in the general assembly may deem relevant. As a result, you may not receive any return on an investment in the Shares unless you sell your Shares for a price greater than that which you paid for them. See "Dividend Policy".

It may be difficult for shareholders to enforce judgments against the Group in the UAE, or against the Group's directors and senior management

The Company is a public joint stock company incorporated in the UAE. All of its directors and all of its officers reside outside the UK and the EEA. In addition, the Group's material assets and the majority of the assets of its directors and senior management are located outside the UK and the EEA. As a result, it may not be possible for investors to effect service of process outside the UAE upon the Group or its directors and senior management or to enforce judgments obtained against them in courts outside the UAE, including judgments predicated upon the civil liability provisions of the securities laws of the UK or the EEA.

Holders of the Shares in certain jurisdictions outside of the UAE may not be able to exercise their pre-emptive rights if the Company increases its share capital

Under the Articles of Association to be adopted in connection with the Offering, holders of the Shares generally have the right to subscribe and pay for a sufficient number of ordinary shares to maintain their relative ownership percentages prior to the issuance of any new ordinary shares in exchange for cash consideration. Holders of the Shares outside of the UAE may not be able to exercise their pre-emptive rights unless certain registrations are effective with respect to such rights and the related ordinary shares or an exemption from their respective registration requirements. The Company currently does not intend to register the Shares under the Securities Act or the laws of any other jurisdiction, and no assurance can be given that an exemption from such registration requirements will be available to enable holders of the Shares outside of the UAE to exercise their pre-emptive rights or, if available, that the Company will utilise such exemption. Furthermore, pursuant to the Articles of Association, provided that the Company obtains all the required approvals from the SCA and its General Assembly, the Company may increase its capital without applying the pre-emption rights of the existing Shareholders in the following cases: (i) for the purpose of the entry of a strategic partner, (ii) for the purpose of capitalising the Company's debts, (iii) for the purpose of converting bonds or sukuk issued by the Company into shares, and/or (iv) acquiring an existing company and issuing new shares in the Company to the partners or shareholders of that acquired company. To the extent that holders of the Shares outside of the UAE are not able to exercise their pre-emptive rights, the pre-emptive rights would lapse and the proportional interests of such holders outside of the UAE would be reduced.

UAE Taxation

The following comments are general in character and are based on the current and proposed tax regimes applicable in the UAE and the current practice of the UAE authorities as at the date of this Prospectus. The comments do not purport to be a comprehensive analysis of all the tax consequences applicable to all types of shareholders and do not relate to any taxation regime outside the UAE. Each shareholder is responsible for its own tax position and, if you are in any doubt as to your own tax position, you should seek independent professional advice without delay.

Taxation of Companies in the UAE

Current Emirate level corporate tax regime

The UAE currently has no system of federal corporate tax ("CT"). Instead, most of the Emirates have their own CT decrees. Whilst these decrees potentially levy CT on all companies, in practice corporate tax is currently only applied to certain companies operating in the upstream oil and gas industry. Further, some of the individual Emirates have also issued banking tax decrees which are applicable to mainland branches of foreign banks in the UAE on their net income. On this basis, the Company is not currently subject to corporate tax in the UAE, or required to make any corporate tax filings.

Proposed federal UAE corporate tax law

On 31 January 2022, the UAE Ministry of Finance ("MoF") announced their intention to introduce a federal corporate tax law (the "UAE CT Law"), effective for financial years commencing on or after 1 June 2023 (UAE entities with an accounting year ended 31 December will become subject to UAE CT Law from 1 January 2024). As of the date of this Prospectus, the UAE CT Law has not yet been released and the comments in this document are therefore based on the UAE MoF's announcement and on a consultation document released by the UAE MoF on 28 April 2022. The consultation document sets out the key principles that the UAE CT Law will be based upon, however this is subject to change following the publication of the law.

The UAE CT Law will have a much wider application than the existing emirate level CT regime and will apply to all businesses and commercial activities operating across the UAE, with the exception of:

- entities engaged in the extraction of UAE natural resources (these are predominantly upstream oil and gas companies, which will continue to be subject to Emirate level corporate taxation);

- charities and other public benefit organizations, provided that an exemption application is made to the ministry of finance and approved by Cabinet decision;
- the federal UAE government, Emirate governments and their departments and authorities;
- wholly government-owned UAE companies that carry out specified activities, provided they are approved by Cabinet decision;
- public and regulated private social security and retirement pension funds;
- investment funds that are organized as flow-through limited partnerships. Regulated investment funds and REITs can apply for exemption if they meet certain requirements;
- individuals earning income in their personal capacity (i.e. salary, investment income) as long as the income generating activity does not require a commercial license; and
- businesses registered in free trade zones, provided they comply with all the regulatory requirements, and they do not conduct business with mainland UAE.

Free zones

Companies or branches operating within the UAE's free zones will be subject to the new UAE CT Law and will have to register and file a CT return. However, they should be eligible for the free zone 0% CT rate provided they continue to comply with all regulatory requirements within the free zone and do not carry-on business with the mainland (passive income such as interest, royalties, dividends, and capital gains from mainland companies are excluded). This is subject to the comments on the application of the Pillar 2 below.

The proposed rates

The CT rate is set at 0% for taxable income between AED 0 and AED 375,000, and 9% for taxable income above AED 375,000.

UAE entities within a large multinational group that fall under the scope of Pillar 2 of the OECD Base Erosion and Profit Shifting ("BEPS") 2.0 framework (i.e. those with consolidated global revenues of more than EUR 750m, equivalent to approximately AED 3.15 billion on or about the date of this Prospectus) will have a different higher rate, which is still to be announced (but is likely to be 15%, given the global minimum effective tax rate proposed by the OECD).

It is not currently clear how the Pillar 2 regime will interact with the new federal CT regime, but it should be noted that this may impact the application of the 0% rate for free zone entities within groups that fall within the Pillar 2 regime.

Taxable profit

UAE CT will be payable on the accounting net profit reported in the financial statements of the business, with a certain limitations on expense deductions including, but not limited to:

- Interest expense deductions will be limited to 30% of EBITDA in line with the interest limitation rules contained in Action 4 of BEPS.
- Payments made to free zone entities from related UAE mainland entities will not be deductible.
- Penalties, recoverable VAT or donations paid to organisations that are not an approved charity or public benefit organisation will not be deductible.
- Entertainment expenses will be deductible up to 50%.

A UAE resident group of companies can elect to form a tax group and be treated as a single taxable person if the parent company holds at least 95% of the share capital and voting rights of its subsidiaries. To form a tax group, neither the parent company nor any of the subsidiaries can be an exempt person or a Free Zone Person that benefits from the 0% CT rate, and all group members must use the same financial year.

Withholding tax

As of the date of this Prospectus, under current legislation in force in the UAE, with respect to any payment on securities, there will be no withholding or deduction for or on account of any taxes in the UAE or any other tax implications in the UAE.

Following the implementation of the new UAE CT Law, the UAE will apply withholding tax at a rate of 0% to certain domestic and cross-border payments made by UAE businesses.

Given the rate of withholding tax is proposed to be at 0%, UAE businesses will not be required to make any deductions from payments made to resident or non-resident recipients, nor will there be an obligation to file withholding tax returns.

Tax considerations for prospective shareholders

Taxation of individuals in the UAE

As of the date of this Prospectus, there is currently no federal or emirate-level personal income tax levied on individuals in the UAE. Non-UAE tax residents, or dual tax residents, individuals and corporations, may be subject to taxation in jurisdictions outside the UAE with respect to the ownership of, or income derived in connection with, the Offering based on local tax regulations in their respective jurisdictions.

Taxation on purchase of Shares

Completion of the Offering is likely to be characterised for UAE tax purposes as a purchase of Shares by the shareholders. If a shareholder is tax resident outside the UAE and/or is subject to tax in another jurisdiction, the Offering may be characterised differently and may be subject to tax in that other tax jurisdiction.

There are no transfer taxes in the UAE on the purchase of Shares. Accordingly, the purchase of Shares should not result in any UAE tax liabilities for shareholders who are individuals or corporations that are tax resident in the UAE. Non-UAE tax residents, or dual tax resident individuals and corporations, may be subject to taxation in jurisdictions outside the UAE with respect to the ownership of, or income derived in connection with, the Shares based on local tax regulations in their respective jurisdictions.

From a VAT perspective, the purchase of shares is considered an exempt supply for the purposes of VAT unless a zero rating provision applies pursuant to Article 42 of the UAE VAT Executive Regulations. As such, we do not anticipate VAT implications for the purchase of Shares.

Taxation of dividends and capital gains on sale

UAE tax resident individual shareholders

Based on the current tax practice within the UAE outlined above, the purchase of Shares and any related dividend income, or gains on sale, should not result in any UAE tax liabilities for UAE tax resident individuals.

Non-UAE tax resident individual shareholders

Non-UAE tax residents, or dual tax residents, may be subject to taxation in jurisdictions outside the UAE with respect to the ownership of, or income derived in connection with, the Shares based on local tax regulations in their respective jurisdictions.

UAE tax resident corporate shareholders

Under the currently applicable Emirate level CT regime, the purchase of Shares should not result in any UAE tax liabilities for corporations' tax resident in the UAE, provided they are not subject to tax in the UAE by virtue of them being a foreign oil company or a branch of a foreign bank. Such shareholders should consult their own tax advisers as to the taxation of dividend income and gains on the future sale.

Under the new federal UAE CT regime (as detailed above), dividends and gains realized by UAE resident corporate shareholders in relation to their investment may be taxable. However, the new UAE

CT regime is introducing a participation exemption, which may exempt such income from CT provided certain conditions are met, including that the dividend income and capital gains are derived from “qualifying shareholdings” (to be defined in the UAE CT Law, once issued).

Non-UAE tax resident corporate shareholders

Non-UAE tax resident companies, or dual tax resident corporations, may be subject to taxation in jurisdictions outside the UAE with respect to the ownership of, or income derived in connection with, the Shares based on local tax regulations in their respective jurisdictions, and should consult their own tax advisors.

Withholding tax

There is currently no withholding tax in the UAE and as such, any dividend payments made by the Company should be made free of any withholding tax in the UAE. As per the comments above, the new UAE CT law is introducing a withholding tax regime at a rate of 0%, so there should be no withholding tax implications for dividend payments following the introduction of the new UAE CT law. However, developments relating to the UAE CT law and further clarifications on its future application are still unclear as of the date of this Prospectus.

Value Added Tax

Value Added Tax (“VAT”) was introduced in the UAE on 1 January 2018, pursuant to the Cabinet decision No. 52 of Federal Decree Law No. (8). . The general VAT rate is 5% and applies to most goods and services, with some goods and services subject to a 0% rate or an exemption from VAT (subject to specific conditions being met).

The 0% VAT rate applies to goods and services exported outside the VAT-implementing GCC member states, international transportation, the supply of crude oil/natural gas, the first supply of residential real estate, and some specific areas, such as health care and education. Presently, the UAE does not recognise any of the GCC states that have introduced VAT (at the time of this Offering, KSA, Oman and Bahrain) as “Implementing States” for VAT purposes and therefore the special intra-GCC rules do not apply to transactions taking place between the UAE and other GCC states (treated similar to transactions with other non-GCC states).

A VAT exemption applies to certain financial services, as well as to the subsequent supply of residential real estate. Further, transactions in bare land and domestic passenger transport are also exempt from VAT.

Further, certain transactions in goods between companies established in UAE Designated Free Zones (as notified specifically for VAT purposes) (“DZs”) may not be subject to VAT. The supply of services within DZs is, however, subject to VAT in accordance with the general application of the UAE VAT legislation.

Businesses are entitled to claim a credit for VAT paid on their purchases if they relate to a supply that is standard rated or zero-rated. However, any VAT incurred in connection with a supply that is exempt from VAT cannot be reclaimed.

Excess input VAT can, in principle, be claimed back from the (FTA), subject to a specific procedure. Alternatively, VAT credits may be carried forward and deducted from future output VAT.

Businesses that do not comply with their VAT obligations can be subject to fines and penalties. There are both fixed and tax-gear penalties.

Under the UAE VAT legislation, no VAT should be payable in respect to the acquisition or sale of Shares. However, it should be noted that fees relating to the transfer of ownership of shares would be subject to VAT at the standard rate of 5%.

For completeness, dividend income received by merely holding shares in a company does not constitute consideration for a supply. Therefore, passively earned dividend income would not amount to a consideration for a taxable supply and should be outside the scope of UAE VAT.

Third Section: Financial Disclosures

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 this 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. Selected Financial Information and Operating Data

The summary historical financial information set forth below is based upon the Annual Financial Statements, which have been prepared in accordance with IFRS, and the Interim Financial Statements, which have been prepared in accordance with IAS 34.

Results in the Interim Financial Statements are not necessarily indicative of the results that can be expected for the full year. The summary historical financial information should be read in conjunction with the “Selected Historical Financial Information”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, and the Financial Statements, including the related notes, included elsewhere in this Offering.

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
	<i>(AED thousand)</i>						
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
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**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.*

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

Statement of cash flow data

	Year ended 31 December			Six months ended 30 June		Nine months ended 30 September	
	2019	2020	2021	2021	2022	2021	2022
Cash flows from operating activities							
(AED thousand)							

Profit for the year / period	871,135	901,262	935,982	389,119	431,714	660,184	732,042
<i>Adjustments for:</i>							
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	<u>(2,780)</u>	<u>(2,780)</u>	<u>(2,780)</u>	<u>(1,390)</u>	<u>(1,390)</u>	<u>(2,085)</u>	<u>(2,085)</u>
Operating cash flows before changes in working capital and payment of employees' end of service benefits	<u>1,068,251</u>	<u>1,170,975</u>	<u>1,237,970</u>	<u>548,695</u>	<u>615,424</u>	<u>889,789</u>	<u>1,007,805</u>

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	(21,069)	(50,236)	37,527	(5,057)	165,003	(2,254)	255,408

payables,
project accruals
and retention
payables

Due to related
parties, net of
dividends
declared

(16,676)	(18,895)	67,041	144,337	(33,366)	248,840	41,094
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Cash generated
from operations

1,023,511	1,034,463	1,367,476	632,048	609,798	1,007,259	1,086,734
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Payment of
employees' end
of service
benefits

(834)	(689)	(1,270)	(719)	(296)	(1,144)	(568)
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**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
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**Cash flows from
investing
activities**

Acquisition of
subsidiary

-	-	(668,294)	-	-	-	-
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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

(676,661)	(775,473)	(571,580)	(315,008)	(220,895)	(435,320)	(365,445)
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property, plant
and equipment,
net of project
cost accruals,

(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
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Investment in
financial assets
at fair value
through profit
and loss

-	-	(100,000)	-	-	-	-
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Finance income
received

7,226	4,618	11,023	4,665	11,836	6,572	24,172
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Investment in
financial assets
at fair value
through other
comprehensive
income

-	(55,372)	-	-	-	-	-
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Gain on
disposal of
property, plant
and equipment

-	-	27	14	-	27	-
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**Net cash outflow
from investing
activities**

<u>(669,435)</u>	<u>(843,727)</u>	<u>(1,426,124)</u>	<u>(311,829)</u>	<u>(417,859)</u>	<u>(422,721)</u>	<u>(238,573)</u>
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**Cash flows from
financing
activities**

Proceeds from
bank borrowings
/ Proceeds from
bank borrowings
net of

488,881	969,645	917,294	-	917,319	-	5,406,211
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arrangement fee

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	<u>(75,943)</u>	<u>547,902</u>	<u>236,310</u>	<u>(498,670)</u>	<u>397,552</u>	<u>(495,219)</u>	<u>(947,906)</u>
Net (decrease) / increase in cash and cash equivalent	<u>277,299</u>	<u>737,949</u>	<u>176,392</u>	<u>(179,170)</u>	<u>589,195</u>	<u>88,175</u>	<u>(100,313)</u>
Cash and cash equivalents at the beginning of the year/period	<u>53,948</u>	<u>331,247</u>	<u>1,069,196</u>	<u>1,069,196</u>	<u>1,245,588</u>	<u>1,069,196</u>	<u>1,245,588</u>
Cash and cash equivalents at the end of the year/period	<u>331,247</u>	<u>1,069,196</u>	<u>1,245,588</u>	<u>890,026</u>	<u>1,834,783</u>	<u>1,157,371</u>	<u>1,145,275</u>

** 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.*

Statement of changes in equity data

	Capital	Statutory reserve	Other reserves	Retained earnings	Contributed capital	Total equity	Non-controlling interests	Total
	<i>(AED thousand)</i>							
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

	<u>Capital</u>	<u>Statutory reserve</u>	<u>Other reserve</u>	<u>Retained earnings</u>	<u>Contributed capital</u>	<u>Total equity</u>	<u>Non- controlling interests</u>	<u>Total</u>
	<i>(AED thousand)</i>							
At 1 January 2020	<u>1,000,000</u>	<u>500,000</u>	<u>-</u>	<u>2,707,214</u>	<u>64,690</u>	<u>4,271,904</u>	<u>1,803</u>	<u>4,273,707</u>
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	<u>1,000,000</u>	<u>500,000</u>	<u>2,281</u>	<u>3,208,164</u>	<u>82,190</u>	<u>4,792,635</u>	<u>2,115</u>	<u>4,794,750</u>

	<u>Capital</u>	<u>Statutory reserve</u>	<u>Other reserve</u>	<u>Retained earnings</u>	<u>Contributed capital</u>	<u>Total equity</u>	<u>Non- controlling interests</u>	<u>Total</u>
	<i>(AED thousand)</i>							
At 1 January 2021	<u>1,000,000</u>	<u>500,000</u>	<u>2,281</u>	<u>3,208,164</u>	<u>82,190</u>	<u>4,792,635</u>	<u>2,115</u>	<u>4,794,750</u>
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	<u>1,000,000</u>	<u>500,000</u>	<u>2,741</u>	<u>3,844,024</u>	<u>82,190</u>	<u>5,428,955</u>	<u>1,937</u>	<u>5,430,892</u>

	<u>Capital</u>	<u>Statutory reserve</u>	<u>Other reserve</u>	<u>Retained earnings</u>	<u>Contributed capital</u>	<u>Total equity</u>	<u>Non- controlling interests</u>	<u>Total</u>
	<i>(AED thousand)</i>							
At 1 January 2022	<u>1,000,000</u>	<u>500,000</u>	<u>2,741</u>	<u>3,844,024</u>	<u>82,190</u>	<u>5,428,955</u>	<u>1,937</u>	<u>5,430,892</u>
Profit for the period	-	-	-	431,646	-	431,646	68	431,714
Other comprehensive income	-	-	(5,876)	-	-	(5,876)	-	(5,876)
Dividend declared	-	-	-	(500,000)	-	(500,000)	-	(500,000)
At 30 June 2022	<u>1,000,000</u>	<u>500,000</u>	<u>(3,135)</u>	<u>3,775,670</u>	<u>82,190</u>	<u>5,354,725</u>	<u>2,005</u>	<u>5,356,730</u>
	<u>Capital</u>	<u>Statutory reserve</u>	<u>Other reserve</u>	<u>Retained earnings</u>	<u>Contributed capital</u>	<u>Total equity</u>	<u>Non- controlling interests</u>	<u>Total</u>
	<i>(AED thousand)</i>							
At 1 January 2022	<u>1,000,000</u>	<u>500,000</u>	<u>2,741</u>	<u>3,844,024</u>	<u>82,190</u>	<u>5,428,955</u>	<u>1,937</u>	<u>5,430,892</u>
Profit for the period	-	-	-	731,960	-	731,960	82	732,042
Other comprehensive income	-	-	(3,552)	-	-	(3,552)	-	(3,552)
Dividend declared	-	-	-	(3,400,000)	-	(3,400,000)	-	(3,400,000)
At 30 September 2022	<u>1,000,000</u>	<u>500,000</u>	<u>(811)</u>	<u>1,175,984</u>	<u>82,190</u>	<u>2,757,363</u>	<u>2,019</u>	<u>2,759,382</u>

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)				
Net profit for the year / period	871,135	901,262	935,982	389,119	431,714
Finance income / costs-net	12,541	7,260	(2,506)	(61)	7,524
Depreciation	261,673	291,977	311,152	152,023	159,412
Amortisation	-	-	400	-	6,078
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 totaling AED 85.1 million.

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 September 2022

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.

Selling Shareholders

The following table sets forth the shareholders holding Shares in the Company (i) as at the date of this Prospectus, with a total share capital of 10,000,000,000 (ten billion) shares of AED 0.10 (ten Fils) each, and (ii) immediately following the Offering, assuming that the Selling Shareholders sell all of the Shares being offered:

	As at the date of this Prospectus		Immediately following the Offering ⁽¹⁾	
	Number of Shares	Percentage	Number of Shares	Percentage
Shareholder				
DEWA	7,000,000,000	70 %	630,000,000	63 %
Emirates Power	3,000,000,000	30%	270,000,000	27 %

(1) Assumes that the maximum number of Shares offered by the Selling Shareholders in the Offering are sold and the Offering size is not increased.

No Shares have voting rights that differ from those of any other Shares. As at the date of this Prospectus, the Company is not aware of any arrangements that may result in a change in control of the Company.

Material events and agreements concluded by the Company (including related party agreements)

The following is a summary of certain terms of our material agreements. The following summaries do not purport to describe all of the applicable terms and conditions of such contracts and are qualified in their entirety by reference to the actual agreements.

Related Party Agreements

The Group is and has been a party to various agreements and other arrangements with related parties comprising the Company and certain of its other subsidiaries and the Selling Shareholders. The most significant of these transactions are described below. For details of the impact of related party transactions on the Group's financial position and financial results as at and for the years ended 31 December 2019, 2020, and 2021 please refer to note 12 of the 2021 Financial Statements and note 10 of the 2020 Financial Statements, included elsewhere in this Prospectus. For details of the impact of related party transactions on the Group's financial position and financial results as at and for the six months ended 30 June 2021 and 2022, please refer to note 13 of the H1 2022 Interim Financial Statements.

Relationship with DEWA

The Group transacts with DEWA, joint ventures and entities controlled, jointly controlled, or significantly influenced by DEWA within the scope of its ordinary business activities.

Electricity and Water Supply

The Group purchases its electricity and water from DEWA, including all of the electricity requirements and most of the water requirements (excluding TSE, which is sourced from the Dubai Municipality) of the Group's district cooling plants. The Group procures electricity and water from DEWA on arm's length, market terms, at standard commercial rates. Purchases are made based on consumption demand that is notified to DEWA via the normal commercial channels used by all DEWA customers, there is no formal agreement in place for the supply of electricity and water from DEWA to the Group.

Cooling Charges

DEWA uses its billing infrastructure to collect cooling charges on behalf of the Group for the Group's district cooling assets acquired from Nakheel (which comprised approximately 1.5% of the Group's billing as of 30 June 2022), which it then transfers to the Group.

Irrevocable Guarantee Agreement

The Company entered into an irrevocable guarantee agreement with DEWA and Dubai Holding on 23 October 2022, whereby DEWA and Dubai Holding agreed, severally, on a pro rata basis relative to their shareholding in the Company, to absolutely, unconditionally and irrevocably guarantee all future liabilities of the Company arising from the change to the ultimate beneficial ownership of the Company's Government granted lands that results from the Offering, see "Risk Factors—Risks Relating to the Group—The Group may have the regulatory obligation to pay certain fees in connection with the change in status of certain of its lands upon completion of the Offering".

Relationship with Dubai Holding

The Group transacts with Dubai Holding, joint ventures, and entities controlled, jointly controlled, or significantly influenced by Dubai Holding within the scope of its ordinary business activities.

Master Development Agreements

The Group has Master Development Agreements (as defined below) in place with the following counterparties, that are subsidiaries of Dubai Holding, in relation to the sites set out in the below table. See "Material Agreements—Master Development Agreements" for a discussion of the terms of the Master Development Agreements.

No.	Counterparty	Site
1.	Dubai Properties LLC	Business Bay
2.	Dubai Properties LLC	Culture Village
3.	Dubai Properties LLC	Mirdiff Buildings Project
4.	Dubai Properties LLC	Al Quoz Jumeriah Hospitality Project
5.	Bluewaters LLC	Bluewater Development
6.	Tecom Investments FZ LLC	International Media Production Zone
7.	Innovation Hub FZ LLZ	Innovation Hub, TECOM A

Land

Certain district cooling assets of the Group with a total net book value of AED 280.2 million are developed on plots of lands owned by related parties. During the three months ended 30 September 2022, the Group adjusted the values for 11 plots of land (amounting to AED 59.4 million), out of which seven plots had assets constructed on them.

The Group is currently in discussions with Dubai Holding group entities to enter into long-term lease agreements related to these plots. The long-term lease agreements are expected to be entered into at a nominal value. As and when a lease agreement is signed at nominal value, the Group will engage a third-party independent valuer to determine the fair value of the lease agreement which will be reflected as an equal increase in assets and equity of the Group. The relevant assets will be amortised over the contractual term of the leases, which is a non-cash item.

Master Land Agreement with Dubai Holding

The Company entered into a master land agreement with Dubai Holding on 23 October 2022, whereby the Company and Dubai Holding agreed to negotiate to enter into lease agreements relating to plots the Company had previously recognised in its accounts and which were reversed in the accounts for the three months ended 30 September 2022, see “*Land*” above.

Exclusivity and Framework Agreement

The Company entered into an exclusivity and framework agreement with Dubai Holding on 23 October 2022, in relation to certain sites owned by master developers owned and controlled by Dubai Holding. For further information, see “*Exclusivity and Framework Agreement*”.

Irrevocable Guarantee Agreement

The Company entered into an irrevocable guarantee agreement with the Selling Shareholders on 23 October 2022, whereby the Selling Shareholders agreed, severally, on a pro rata basis relative to their shareholding in the Company, to unconditionally and irrevocably guarantee all future liabilities of the Company arising from the change to the ultimate beneficial ownership of the Company’s Government granted lands that results from the Global Offering, see *Material Agreements—Irrevocable Guarantee Agreement*” and “*Risk Factors—Risks Relating to the Group—The Group may have the regulatory obligation to pay certain fees in connection with the change in status of certain of its lands upon completion of the Offering*”.

Relationship with Entities under Common Control of the Government

Borrowings

On 26 September 2022, the Company entered into conventional term loan facilities and Murabaha Shariah compliant facilities with Emirates NBD Capital Limited, an entity under common control of the Government, totalling an amount of AED 5.5 billion. For further information, see “*Material Agreements—Certain Financing Arrangements of the Group*”.

Master Development Agreements

The Group has Master Development Agreements in place with the following counterparties that are under the common control of the Government:

No.	Counterparty	Site
1.	The Land Company (TEO)	Dubai International Financial Centre
2.	Meydan City Corporation	Meydan City
3.	Dubai World Trade Center LLC	Dubai World Trade Centre - Phase 1-3
4.	Nakheel PJSC	Nakheel (Palm Jumeirah)
5.	Deira Water front Development LLC	Deira Waterfront Development
6.	Dubai Health Care City (DHCC)	Dubai Health Care City
7.	Jumeirah Village LLC	Jumeirah Village
8.	Road and Transport Authority	Dubai Metro 2020 Stations
9.	Nakheel PJSC	Nakheel (Multiple Sites)

See “*Material Agreements—Master Development Agreements*” for a discussion of the terms of the Master Development Agreements.

Material Agreements.

The following is a summary of the agreements that the Group considers material or important or which may otherwise influence an investor’s decision to invest in the Shares. These summaries do not purport to describe all the applicable terms and conditions of such agreements.

General

Certain of the Group’s financing arrangements are Shariah-compliant and references in relation thereto in this Prospectus to “interest”, “lender”, “borrower”, “repayment”, “loans”, “borrowings” or similar non-Shariah compliant terms in relation thereto should be interpreted as references to “profit”, “rental”, “finance costs”, “financier”, “obligor”, “payment”, “financings”, etc. as applicable.

Contractual Framework

The Company enters into master development agreements (“**Master Development Agreement**”) with master developers and building owners that require district cooling services to be provided to their developments or buildings, as applicable. The key terms of the Master Development Agreements are summarized below.

Master Development Agreements entered into with a master developer or building owner contain particular provisions whereby the master developer or building owner undertakes to contractually obligate all of the owners, tenants and occupiers of properties in the relevant development to obtain district cooling services from the Company. The Company then enters into individual customer agreements with owners or tenants of the units that are on standard arms' length terms. No single customer of the Company comprises more than 5% of its annual revenue.

Master Development Agreements

The Company entered into twenty-three Master Development Agreements with developers from the year 2004 to the year 2021, two of which were entered into by Palm District Cooling LLC and one by Snow LLC (now known as Empower Snow LLC) and one by Empower Snow LLC. The terms and conditions of the Master Development Agreements are based on the Company's standard form, with the exception of certain agreements which are discussed further below, see *"–Agreement with Meydan City Corporation relating to Meydan"*, *"–Agreement with Jumeirah Village LLC relating to Jumeirah Village"*, *"–Memorandum of Understanding with Dubai Technology and Media Free Zone Authority relating to Jumeirah Beach Residence"*, *"–Agreement with Road and Transport Authority relating to Route 2020 Stations"* and *"–Agreement between Snow LLC and Nakheel PJSC relating to Nakheel Developments"*. The term of each of these agreements is typically from 25 to 30 years from the date on which the Company makes available, to the relevant district, the full estimated maximum amount of refrigeration capacity that will be required to meet all air conditioning demands in such district (**"Site Demand Load"**). The Company has only delivered three full Site Demand Load contracted under its Master Development Agreements, meaning that the remaining term of the majority of the Master Development Agreements is 25 years or more.

The Master Development Agreements contain renewal clauses, which allow either party to the agreement to give written notice to the other party, two years prior to the expiry of the term of the agreement, requesting the renewal of the agreement or confirming that it does not wish to renew the term. If a renewal is requested, the parties shall endeavour to agree to the terms and conditions of the renewal. The Master Development Agreements can be renewed for an indefinite number of periods. If the parties do not agree to such renewal terms or if a party confirms it does not intend to renew the term of the agreement, the Company shall cease to provide the district cooling services to the relevant district on the expiry of the term of the relevant Master Development Agreement.

Under the Master Development Agreements, the Company agrees to construct, commission, own and operate district cooling plants and their related equipment on, or in close proximity to, the developers' sites. To be able to construct a district cooling plant in, or in close proximity to, a district, the relevant district developer agrees with the Company to either: (i) transfer ownership of; or (ii) grant a lease for a nominal fee of AED 1.00 per annum in respect of, the land on which the district cooling plant will be constructed.

Typically upon the expiry of the term of the Master Development Agreement, where land is transferred to the Company, the Company has the sole discretion to either: (a) retain ownership of the land, plant and equipment or any part thereof, (b) sell the land, plant and equipment or any part thereof to the district developer at the price determined by an independent valuer or (c) sell the land, plant and equipment or any part thereof to a third party, subject to providing the district developer with a right of first refusal.

Upon the expiry of the term of the Master Development Agreement, where land is leased to the Company, the Company typically has the sole discretion to either: (a) retain ownership of the plant and equipment or any part thereof; (b) sell the plant and equipment or any part thereof to the district developer at the price determined by an independent valuer; or (c) sell the plant and equipment or any part thereof to a third party, subject to providing the district developer with a right of first refusal. The lease of the land terminates on the expiry of the relevant Master Development Agreement. Where the Agreement is terminated early before the expiry of the Term by the master developer for reasons not due to the fault of the Company, Empower is entitled to compensation for costs and expenses incurred

as a result of such termination, as well as a cancellation charge payment equivalent to a two year demand charge for the full site demand load at the prevailing rate.

In consideration for the development of such district cooling plants, the relevant district developers agreed to provide the Company with the exclusive right to provide district cooling services to their respective districts and to bind their respective building owners, tenants and occupiers to obtain district cooling services from the Company on a sole and exclusive basis, except that the master developer may contract district cooling services from third parties: (i) for a back-up system, with the Company's prior written consent (not to be unreasonably withheld); or (ii) if and to the extent the Company is requested to supply district cooling services in excess of the site demand load and the Company does not agree to supply such excess load.

The Company receives payments in the form of: (i) a demand charge and a consumption charge from any owner and/or developer, including the district developer, of a building within the relevant district; and (ii) a consumption charge from any owner, tenant or occupier of an individual unit in any building within such district. Once the Company delivers the full site demand load, being the maximum amount of refrigeration capacity that will be required to be available for the Group to meet all the air conditioning demands of the site, on the mutually agreed date, it has the right to charge a "shortfall" demand charge payable by the master developer each year for the difference between the aggregate building demand load and the total demand load for the site.

The table below sets out further details of each of the Master Development Agreements entered into by the Company.

List of Master Development Agreements

<i>No.</i>	<i>Counterparty</i>	<i>Site</i>	<i>Date(1)</i>
1.	Dubai Properties LLC	Business Bay	28 August 2005
2.	The Land Company (TEO)	Dubai International Financial Centre	12 December 2004
3.	Dubai Properties LLC	Culture Village	10 July 2007
4.	Dubai Properties LLC	Mirdiff Buildings Project	25 November 2009
5.	Bluewaters LLC	Bluewaters	1 September 2015
6.	Dubai Properties LLC	Al Quoz Jumeriah Hospitality Project	25 November 2009
7.	Tecom Investments FZ LLC	International Media Production Zone	13 March 2006
8.	IMG Group LLC	City of Arabia, Dubai Land	8 April 2015
9.	Al Fattan Properties	Al Fattan Marine Towers	1 December 2004
10.	Dubai Health Care City FZ LLC	Dubai Health Care City - Phase II	22 September 2008
11.	Meydan City Corporation	Meydan City	23 July 2020
12.	Dubai World Trade Center LLC	Dubai World Trade Centre - Phase 1-3	30 June 2008

<i>No.</i>	<i>Counterparty</i>	<i>Site</i>	<i>Date(1)</i>
13.	Nakheel PJSC (entered into by Palm District Cooling)	Nakheel (Palm Jumeirah) Discovery Gardens and Ibn Batuta Mall,)	29 March 2009
14.	Deira Water Front Development LLC	Deira Waterfront Development	30 August 2018
15.	Adwab Real Estate Limited Co. L.L.C	Wadi Al Safa 3 (Al Barari Development)	4 July 2018
16.	Dubai Health Care City (DHCC)	Dubai Health Care City	31 January 2006
17.	Jumeirah Village LLC	Jumeirah Village	4 February 2016
18.	Dubai Technology and Media Free Zone Authority	Jumeirah Beach Residence	1 January 2005
19.	Road and Transport Authority	Dubai Metro 2020 Stations	6 June 2017
20.	Nakheel PJSC (entered into by Snow LLC)	Nakheel (Multiple Sites)	16 December 2021
21.	Innovation Hub FZ LLC	Innovation Hub TECOM A	28 June 2017
22.	Wasl LLC	Kifaf Development-Phase 2,3, 4 and 5	2 March 2020
23.	Dubai Multi Commodities Centre Authority (entered into Palm District Cooling LLC)	Jumeirah Lakes Towers, Dubai Multi Commodities Centre Business Park, DMCC Gempex and JLT Emnankment	21 July 2009

Note

(1) These dates are representative of the commencement dates of the Master Development Agreements but not the expiry of the same. The commencement date of the relevant Master Development Agreement and expires 25 or more years, as applicable, after for each Master Development Agreement begins on the date the Company delivers the full Site Demand Load. See “– Master Development Agreements” above for further information.

The section below sets out summaries of agreements that include significant deviations from the standard terms of the Master Development Agreements.

Agreement with Meydan City Corporation relating to Meydan

The Company entered into a Master Developer Agreement with Meydan City Corporation (“**Meydan Corporation**”) on 23 July 2020 (the “**Meydan Agreement**”) to supply district cooling services to the site in Meydan which is owned, leased, sold, developed or managed by Meydan Corporation (“**Meydan Site**”) on a sole and exclusive basis. The Company agreed to purchase and operate the already existing district cooling assets in Meydan from Meydan Corporation for a purchase price of AED 100 million

pursuant to an asset purchase agreement entered into between Meydan Corporation and the Company on 23 July 2020. The term of the Meydan Agreement commences on the date of the sale and purchase agreement between Meydan Corporation and the Company relating to the Meydan district cooling assets and shall continue in perpetuity.

The remaining terms of the Meydan Agreement follow the terms and conditions of the standard Master Development Agreement.

Agreement with Jumeirah Village LLC relating to Jumeirah Village

The Company entered into a district cooling services Agreement with Jumeirah Village LLC (“**Jumeirah Village**”) on 4 February 2016 (the “**Jumeirah Village Agreement**”) to supply district cooling services to certain developments owned by Jumeirah Village (“**Jumeirah Village Developments**”) on an exclusive basis. The initial term of the Jumeirah Village Agreement is 30 years commencing on the date of the Jumeirah Village Agreement.

The Company’s main obligations under the Jumeirah Village Agreement is to finance, design, procure, construct, commission, test, operate and maintain all district cooling plants and pipe networks required to provide district cooling services to the end-users at the Jumeirah Village Developments. Jumeirah Village has to enter into an end-user agreement with each end-user for the provision of such district cooling services. In return for the district cooling services provided by Jumeirah Village, Jumeirah Village receives payments from the end-users in the form of: (i) a one-time installation charge; (ii) a consumption charge; and (iii) a demand charge.

Memorandum of Understanding with Dubai Technology and Media Free Zone Authority relating to Jumeirah Beach Residence

The Company entered into a memorandum of understanding with Dubai Technology and Media Free Zone Authority (now known as the Dubai Development Authority) on 1 January 2005 (the “**DTMFZ Agreement**”) to purchase the DCS assets located on Jumeirah Beach Residences Development, which is owned, leased, sold, developed or managed by Al Istithmar (the “**DTMFZ Site**”) from Dubai Technology and Media Free Zone Authority for a purchase price of AED 220 million, plus AED 15 million for the supply and installation of metering equipment for individual units. Following the purchase of the DCS assets, the Company operates and maintains such assets, and supplies district cooling services to the owners and/or developers of buildings within the DTMFZ Site. End-users are charged demand and consumption fees, as well as connection fees.

Agreement with Road and Transport Authority relating to Route 2020 Stations

The Company entered into a district cooling services Agreement with the Road and Transport Authority (“**RTA**”) on 6 June 2017 (the “**RTA Agreement**”) to supply district cooling services to certain facilities, including the metro stations and related buildings entrances, owned by RTA (“**RTA Facilities**”). The initial term of the RTA Agreement commences on the commencement date of the cooling services for each station and expires 10 years following such dates for each station. The term may be extended by a further 10 years with a maximum limit of 30 years in total.

The Company’s main obligations under the RTA Agreement is to design, construct, commission, own and operate the district cooling plant, and all its related equipment, and provide district cooling services to the RTA Facilities. In return for the district cooling services provided by the Company, the Company receives payments from the RTA in the form of (i) a one-off connection charge, (ii) a consumption charge, and (iii) an annual demand per refrigeration ton charge.

In circumstances where the Company fails to meet certain of its obligations or if specific events occur, the RTA has the right to impose certain penalties on the Company. The amount of the penalties will depend on the failure and/or the event itself.

Agreement between Palm District Cooling LLC and Nakheel PJSC

Palm District Cooling LLC (“**PDC**”) entered into a DCS agreement with Nakheel PJSC (“**Nakheel**”) on 29 March 2009 (the “**Nakheel PDC Agreement**”) to supply DCS to Ibn Battuta Shopping Mall, Palm

Jumeirah Crescent, Palm Jumeirah Trunk, Ibn Battuta Gate Complex and Discovery Gardens (the “Nakheel Sites”) on a sole and exclusive basis. The initial term of the Nakheel PDC Agreement is 30 years, commencing from the date each party provides the other party with reasonable evidence of the authority of their signatory to sign the Nakheel PDC Agreement. The term of the Nakheel PDC Agreement shall automatically renew for a further 30 year period unless Nakheel issues a notice to PDC of its intention not to renew at least three years prior to the expiry of the initial term.

Under the terms of the Nakheel PDC Agreement, Nakheel shall grant PDC an usufruct over the land required to construct the district cooling system in consideration for a nominal fee of AED 1.00 per annum.

Tariffs charged by PDC to end-users in the Nakheel Sites must reflect the tariffs included in the Nakheel PDC Agreement. PDC may not increase the tariffs applied to end-users of the Nakheel Sites by more than 5% above the then prevailing annual capacity tariff charged by the Company in relation to DCS at comparable developments in Dubai.

Nakheel may terminate the Nakheel PDC Agreement immediately following the insolvency of PDC or on 60 days’ notice where PDC has breached its obligations under the Nakheel PDC Agreement in a manner that materially and adversely affects the provision of DCS in the Nakheel Sites.

In the event of termination by PDC’s default, PDC must notify Nakheel of whether it intends to transfer the district cooling system to Nakheel or its designee on the expiry date or to employ a competent contractor to demolish the district cooling plants six months prior to the expiry of the Nakheel PDC Agreement. If PDC opts to transfer the district cooling system to Nakheel, Nakheel shall pay to PDC the historical and audited net asset value (adjusted by any available replacement capital cost reserves in respect of the project at the expiry date) on the expiry date. If PDC opts to demolish the district cooling plants, its contractor shall do so by no later than three months following the expiry date.

Agreement between Palm District Cooling LLC and Dubai Multi Commodities Centre Authority

Palm District Cooling LLC (“PDC”) entered into a district cooling services agreement with Dubai Multi Commodities Centre Authority (“DMCCA”) on 21 July 2009 (the “DMCCA Agreement”) to supply DCS to Jumeirah Lake Towers, Dubai Multi Commodities Business Park, DMCC Gemplex and JLT Embankment (the “DMCCA Sites”) on a sole and exclusive basis. The initial term of the DMCCA Agreement is 30 years commencing from the date each party provides the other party reasonable evidence of the authority of their signatory to sign the DMCCA Agreement. The term of the DMCCA Agreement shall automatically renew for a further period of 30 years unless DMCCA issues a notice to PDC of its intention not to renew at least three years prior to the expiry of the initial term.

Under the terms of the DMCCA Agreement, DMCCA shall grant PDC a musataha over a portion of the land required to construct the district cooling system in consideration for a nominal fee of AED 1.00 per annum. The remainder of the land required for the installation district cooling system is located on land owned by the Roads and Transport Authority (“RTA”). PDC was required to obtain a no objection certificate from the RTA regarding the construction of parts of the district cooling system on the land owned by it.

Tariffs charged by PDC to end-users in the DMCCA Sites must reflect such tariffs included in the DMCCA Agreement. PDC may not increase the tariffs applied on the DMCCA Sites’ end-users by more than 5% above the then prevailing annual capacity tariff charged by the Company in relation to DCS at comparable developments in Dubai.

DMCCA may terminate the DMCCA Agreement immediately following the insolvency of PDC or on 60 days’ notice where PDC has breached its obligations under the DMCCA Agreement in a manner that materially and adversely affects the provision of DCS in the DMCCA Sites.

In the event of termination by PDC’s default, PDC must notify DMCCA of whether it intends to transfer the district cooling system to DMCCA or its designee on the expiry date or to employ a competent contractor to demolish the district cooling plants 60 days prior to the expiry of the DMCCA Agreement. If PDC opts to transfer the district cooling system to DMCCA, DMCCA shall pay to PDC the historical

and audited net asset value (adjusted by any available replacement capital cost reserves in respect of the project at the expiry date) on the expiry date. If PDC opts to demolish the district cooling plants, its contractor shall do so by no later than three months following the expiry date.

Agreement between Snow LLC and Nakheel PJSC relating to Nakheel Developments

Snow LLC (“**Snow**”) entered into a master concession agreement with Nakheel PJSC (“**Nakheel**”) on 16 December 2021 (the “**Nakheel and Snow Agreement**”) to supply district cooling services to certain developments owned by Nakheel (“**Nakheel Developments**”) on a sole and exclusive basis. The term of the Nakheel and Snow Agreement is 30 years commencing on the date of the Nakheel and Snow Agreement.

Pursuant to the terms of the Nakheel and Snow Agreement, affiliates of Nakheel (the “**Development Owners**”) engaged construction contractors to construct district cooling plants in the Nakheel Developments. These assets were then transferred to Snow, a special purpose vehicle whose ownership was then transferred to Empower through a share purchase agreement between Nakheel and Empower. With Empower as the new owner, Snow entered into individual cooling services agreements and associated land lease agreements with the respective Development Owners to provide cooling services to the relevant Nakheel Developments. During the term of the Nakheel and Snow Agreement, Snow is under an obligation to operate, maintain and repair such district cooling plants.

Nakheel has the right to terminate the Nakheel and Snow Agreement if, amongst others:

- the sale and purchase agreement (the “**Snow SPA**”) under which the Company acquired the share capital of Snow from Nakheel is terminated;
- Snow commits an event of default and such event of default is not cured within 60 days of notice from Nakheel of its intention to terminate the agreement as a result of such event of default; and
- Nakheel’s increased costs in respect of the project (other than the cost of the provision of district cooling services) exceed in aggregate AED 180 million.

The key events of default that apply to Snow are if Snow:

- abandons the project;
- is subject to an insolvency event;
- breaches any of its material obligations under the Nakheel and Snow Agreement and such breach is not remedied within 60 days after notice of such breach is issued by Nakheel; or
- is subject to a change, in ownership, or of control as a result of a transfer to an entity other than a fully owned subsidiary of the Company, without Nakheel’s consent.

There are also standard termination clauses for prolonged force majeure and political risk events which apply to both parties.

Pursuant to the amendment agreement to the Snow SPA dated 16 December 2021, the Company has a right of first offer and a right of first refusal, should Nakheel wish to sell certain district cooling assets.

Exclusivity and Framework Agreement

The Company entered into an exclusivity and framework agreement with Dubai Holding on 23 October 2022 (the “**Exclusivity and Framework Agreement**”), in relation to certain sites owned by master developers owned and controlled by Dubai Holding. Pursuant to the Exclusivity and Framework Agreement, Dubai Holding acknowledged, on behalf of itself and each master developer, that the Company has a right to occupy and access the nine sites identified therein and that it shall continue to have free and full access to the sites for the purposes of providing DCS and constructing DCS plants in such sites. The Exclusivity and Framework Agreement grants the Company the exclusive right (subject to customary carve-outs) to provide DCS within the relevant master developments for the term of the

Exclusivity and Framework Agreement. The Company has entered into, and Dubai Holding shall procure that each master developer will, negotiate and enter into master development agreements in respect of each of the identified sites as soon as reasonably practicable following the date of the Exclusivity and Framework Agreement. On entry into a master development agreement in respect of a site, the Exclusivity and Framework Agreement would terminate in respect of such site.

Irrevocable Guarantee Agreement

The Company entered into an irrevocable guarantee agreement with the Selling Shareholders on 23 October 2022, whereby the Selling Shareholders agreed, severally, on a pro rata basis, to absolutely, unconditionally and irrevocably guarantee all future liabilities of the Company arising from the change to the ultimate beneficial ownership of the Company's Government granted lands that results from the Offering, see "*Risk Factors—Risks Relating to the Group –The Group may have the regulatory obligation to pay certain fees in connection with the change in status of certain of its lands upon completion of the Offering*".

Land Agreement with Dubai Holding

The Company entered into a master and agreement with Dubai Holding on 23 October 2022, whereby the Company and Dubai Holding agreed to negotiate to enter into lease agreements relating to plots the Company had previously recognised in its accounts and which were reversed in the accounts for the three months ended 30 September 2022.

Letters of Acceptance for Contracting Agreements

Letter of Acceptance for Jumeirah Village Circle (JVC) District Cooling Project

The Company signed a letter of acceptance ("LOA") on 14 November 2018 to appoint ADC Energy Systems as the contractor for the construction, completion, testing and commissioning, and maintenance (during the 730-day defects liability period) of Jumeirah Village Circle (JVC) District Cooling Plant (the "**Works**"). Dar Al-Handasah Consultants was appointed as consultant and engineer for the Works.

The contract price for the Works is AED 193,517,114 (excluding VAT), subject to adjustment in accordance with the contract, and includes a 20% advance payment (upon receipt of an advance payment guarantee), with the balance payable in instalments upon receipt of interim payment statements from the contractor and subject to 10% payment retention.

The Works are divided into two sections, both of which were to commence upon receipt of the notice to commence to be issued within 60 days of the LOA. Section 1 (all works for and in connection with reliably producing and delivering 37,500TR of cooling load) is to be completed within 360 days from commencement, with delay liquidated damages payable at a rate of AED 150,000 per day of delay. Section 2 (testing, reliably producing and delivering a total of 49,652TR of cooling load, delivered from installing the remaining two Thermal Energy Storage (TES) tanks) is to be completed within 480 days from commencement, with delay liquidated damages payable at a rate of AED 50,000 per day of delay. The total amount of delay liquidated damages under the contract is capped at 10% of the contract value.

Letter of Acceptance for Business Bay District Cooling Project

The Company signed a Letter of Acceptance ("LOA") on 24 September 2020 to appoint AG Engineering LLC as the contractor for the construction, completion, testing and commissioning, and maintenance (during the 730-day defects liability period) of Business Bay District Cooling Plant (the "**Works**"). Allied Consultants Ltd. was appointed as consultant and engineer for the Works.

The contract price for the Works is AED 155,686,953 (excluding VAT), subject to adjustment in accordance with the contract, and includes a 20% advance payment (upon receipt of an advance payment guarantee), with the balance payable in instalments upon receipt of interim payment statements from the contractor and subject to 10% payment retention.

The Works are divided into three sections, all of which were to commence upon receipt of the notice to commence to be issued within 60 days of the LOA. Section 1 (18,750TR of chillers with all related equipment to allow for chilled water production) is to be completed within 394 days from commencement, with delay liquidated damages payable at a rate of AED 75,000 per day of delay. Section 2 (completion of 2 complete thermal energy storage tanks and chiller installed load with all associated equipment) is to be completed within 469 days from commencement, with delay liquidated damages payable at a rate of AED 37,500 per day of delay. Section 3 (Project Close Out) is to be completed within 544 days from commencement, with delay liquidated damages payable at a rate of AED 10,000 per day. The total amount of delay liquidated damages under the contract for sections 1 and 2 is capped at 10% of the contract value and is uncapped for section 3.

Letter of Acceptance for Za'Abeel (DCP 01) District Cooling Project in Za'Abeel, Dubai

The Company signed a letter of acceptance (“LOA”) on 4 October 2020 to appoint AG Engineering LLC as the contractor for the construction, completion, testing and commissioning, and maintenance (during the 730-day defects liability period) of Za'abeel-1 District Cooling Plant (the “Works”). DC Pro Engineering LLC was appointed as consultant and engineer for the Works.

The contract price for the Works is AED 132, 987,182 (excluding VAT), subject to adjustment in accordance with the contract, and includes a 25% advance payment (upon receipt of an advance payment guarantee), with the balance payable in instalments upon receipt of interim payment statements from the contractor and subject to 10% payment retention.

The Works are divided into three sections, all of which were to commence upon receipt of the notice to commence to be issued within 100 days of the LOA. Section 1 (all works for and in connection with reliably producing and delivering 18,750 RT of cooling load) is to be completed within 360 days from commencement, with delay liquidated damages payable at a rate of AED 78,750 per day of delay. Section 2 (completion of TES system and all remaining works) is to be completed within 435 days from commencement, with delay liquidated damages payable at a rate of AED 37,800 per day of delay. Section 3 (Project Close Out) is to be completed within 510 days from commencement, with delay liquidated damages payable at a rate of AED 10,000 per day. The total amount of delay liquidated damages under the contract for Sections 1 and 2 is capped at 10% of the contract value and is uncapped for Section 3.

Letter of Acceptance for International Media Production Zone (IMPZ) District Cooling Project

The Company signed the letter of acceptance (“LOA”) on 4 September 2019 to appoint AG Engineering LLC as the contractor for the construction, completion, testing and commissioning, operation and maintenance (during the 730-day defects liability period) of International Media Production Zone (IMPZ) District Cooling Plant (the “Works”). Dar Al-Handasah Consultants was appointed as consultant and engineer for the Works.

The contract price for the Works is AED 158,776,091 (excluding VAT), subject to adjustment in accordance with the contract, and includes a 20% advance payment (upon receipt of an advance payment guarantee), with the balance payable in instalments upon receipt of interim payment statements from the contractor and subject to 10% payment retention.

The Works are divided into two sections, both of which were to commence on the date of the LOA. Section 1 (all works necessary for the delivery of 25,000 RT of cooling load) is to be completed within 420 days from commencement, with delay liquidated damages payable at a rate of AED 102,500 per day of delay. Section 2 (Testing and commissioning of the Thermal Energy (TES) Tanks and whole of the Works) is to be completed within 480 days from commencement, with delay liquidated damages payable at a rate of AED 38,364. The total amount of delay liquidated damages under the contract is capped at 10% of the contract value.

Supply Agreements

Trane Contract for the Supply of Water Cooled Chiller Units to the Company's Project Sites in Dubai

The Company entered into an agreement with Trane BVBA ("**Trane**") on 27 November 2018 for the manufacture, storage, testing, delivery, supervision of installation, pre-commissioning, commissioning and maintenance (during the warranty period of 60 months from the date of successful commissioning) of water cooled chiller units and related equipment (the "**Contract**").

The Contract Price is AED 110,403,600 (excluding VAT) and the rates and prices under the Contract shall be fixed for all orders that are placed for manufacture prior to 31 December 2019. The Contract Price is subject to adjustment under the Contract and shall be paid in the following instalments: 10% advance payment, 70% of the price of each unit upon delivery to site, 10% of the price of each unit upon completion of commissioning and 10% of the price of each unit within 60 days of receipt of all required close-out submittals.

The Contract covers five sites:

- At project site 1 (IMPZ District Cooling Project), eight chiller units and all accessories must be delivered within 190 calendar days from the date of the written notice to deliver to the site;
- At project site 2 (TECOM C District Cooling Project), eight chiller units and all accessories must be delivered within 190 calendar days from the date of the written notice to deliver to the site;
- At project site 3 (JVC District Cooling Project), 12 chiller units and all accessories must be delivered within 190 calendar days from the date of the written notice to deliver to the site;
- At project site 4 (DLRC District Cooling Project), six chiller units and all accessories must be delivered within 190 calendar days from the date of the written notice to deliver to the site; and
- At project site 5 (JBH District Cooling Project), three chiller units and all accessories must be delivered within 190 calendar days from the date of the written notice to deliver to the site.

The time for installation for each of the chiller units is 30 calendar days from the date of written notice to commence service at the site. The time for completion of the full commissioning of the chiller units under project sites 1 to 5 is 21 calendar days from the date of written notice to commence commissioning at the site. Delay liquidated damages shall accrue for each day of delay at a rate of AED 2.50 per RT per day, up to a cap of 10% of this final Contract Price. The total liability of Trane is limited to 100% of the total Contract Price.

MHITS Contract for the Supply of Water Cooled Chiller Units to the Company's Project Sites in Dubai

The Company entered into an agreement with Mitsubishi Heavy Industries Thermal Systems, LTD ("**MHITS**") on 16 December 2020 for the manufacture, storage, testing, delivery, supervision of installation, pre-commissioning, commissioning and maintenance (during the warranty period of the shorter 60 months from the date of successful commissioning or 72 months from the date of delivery) of water cooled chiller units and related equipment (the "**Contract**").

The contract price is AED 79,771,235.00 (excluding VAT) (the "**Contract Price**") and the rates and prices under the Contract shall be fixed for all orders that are placed for manufacture prior to 31 October 2022. The Contract Price is subject to adjustment under the Contract and shall be paid in the following instalments: 20% advance payment, 65% of the price of each unit upon delivery to site, 10% of the price of each unit upon completion of commissioning and 5% of the price of each unit within 60 days of receipt of all required close-out submittals.

The Contract covers five sites:

- At project site 1 (Business Bay BB05 District Cooling Project), four chiller units and all accessories must be delivered by 31 May 2021 and two chiller units must be delivered by 30 June 2021;

- At project site 2 (DLRC District Cooling Project), six chiller units and all accessories must be delivered by 31 July 2021;
- At project site 3 (Za’Abeel One District Cooling Project), six chiller units and all accessories must be delivered by 30 June 2021;
- At project site 4 (Jumeirah Beach Hotel (JBH) District Cooling Project), eight chiller units and all accessories must be delivered within 242 calendar days from the date of a written notice to manufacture the units; and
- At project site 5 (Dubai Healthcare City (DHCC) District Cooling Project), three chiller units and all accessories must be delivered within 242 calendar days from the date of a written notice to manufacture the units.

The time for installation for each of the chiller units is 30 calendar days from the date of written notice to commence service at the site. The time for completion of the full commissioning of the chiller units under project sites 1 to 5 is 21 calendar days from the date of written notice to commence commissioning at the site. Delay liquidated damages shall accrue for each day of delay at a rate of AED 2.50 per RT per day, up to a cap of 10% of this final Contract Price. The total liability of MHITS is limited to 100% of the total Contract Price.

Heads of Terms Agreement with Dubai Airport

On 27 October 2021, the Company signed a heads of terms agreement with Dubai Aviation City Corporation and Dubai Airports Corporation (the “**Heads of Terms**”) in relation to the announced proposed acquisition of 85% the district cooling systems of the Dubai International Airport for AED 1.1 billion, which is expected to close by 31 December 2022 (“**Dubai International Airport District Cooling Acquisition**”). The Heads of Terms is non-binding and represents an agreement between the parties to cooperate and negotiate in good faith to enter into transaction documents establishing the proposed acquisition.

Certain Financing Arrangements of the Group

Islamic and Conventional Facilities

Overview

The Company entered into conventional term loan facilities (the “**Conventional Facilities**”) and standard (long/short) commodity Murabaha Shariah compliant facilities (the “**Islamic Facilities**”) on 26 September 2022, for an amount of AED 5.5 billion with Emirates NBD Capital Limited as initial conventional mandated lead arranger, initial Islamic mandated lead arranger, bookrunner and coordinator; Emirates NBD Bank (P.J.S.C.) as underwriter, original conventional bank, original Islamic participant, conventional facility agent, investment agent and global agent, and Palm District Cooling LLC as guarantor (the “**Facilities**”).

The Facilities provide an:

AED 1,375,000,000 term loan facility (“**Conventional Facility A1**”);

AED 1,375,000,000 term loan facility (“**Conventional Facility A2**”);

AED 1,375,000,000 commodity murabaha facility (“**Islamic Facility B1**”); and

AED 1,375,000,000 commodity murabaha facility (“**Islamic Facility B2**”).

Conventional Facility A1 and Islamic Facility B1 each matures on the date falling 36 months after the date of the Facilities and Conventional Facility A2 and Islamic Facility B2 each matures on the date falling 60 months after the date of the Facilities.

Each Facility is repayable in full on its relevant termination date.

The Company also pays certain other fees and costs under the Facilities, including fees for arrangement and agency services.

The Facilities are governed by English law and are subject to the arbitration (LCIA Rules, Dubai International Financial Centre seat). The finance parties have an option to litigate a dispute.

As at the date of this Prospectus, an amount of AED 4.5 billion has been drawn and remains outstanding, out of which only AED 2.9 billion has been utilised for purposes of **the Group's dividend payments prior to the Offering and the remaining amount will be** settlement of the Group's existing loans. The remaining amount of AED 1.0 billion is unutilised and is expected to be utilised in connection with the completion of the Dubai International Airport District Cooling Acquisition.

Purpose

All amounts utilised under the Conventional Facilities and proceeds received under the Islamic Facilities will be applied towards:

- (a) the repayment, payment, settlement or netting of amounts owing under or in connection with certain existing facilities; and/or
- (b) the Company's general corporate purposes (including, but not limited to, dividend recapitalisation and fees, costs and expenses in connection to the Facilities).

Security

None.

Prepayment and cancellation under the Facilities

The Facilities are subject to certain mandatory prepayment provisions, which require mandatory cancellation, and if applicable, prepayment in full or in part in certain circumstances, including, but not limited to: (i) with respect to any financier, if it becomes unlawful for such financier to perform any of its obligations under the relevant Facility; and (ii) the event of a change of control, including by DEWA ceasing directly or indirectly to own legally and beneficially more than 50.1% of the issued share capital of the Company, and the Company ceasing to own, legally and beneficially at least 99% of the issued share capital of Palm District Cooling LLC.

No facility that has been repaid may be re-borrowed.

Subject to certain conditions, the Company may voluntarily prepay (in full or in part) any amount outstanding under the Facilities, by giving five business days' prior notice, provided that any such prepayment is for no less than AED 5 million.

Covenants

The Facilities contain customary information undertakings, affirmative covenants and negative covenants (including, without limitation, a negative pledge), in each case subject to certain agreed exceptions and materiality carve outs. The covenants include a gearing ratio (the ratio of consolidated total net debt to consolidated tangible net worth for the relevant period) and a leverage ratio (the ratio of consolidated total net debt to consolidated EBITDA in respect of that relevant period). These financial covenants are tested half-yearly (except where compliance is required at any time) in arrears based on the previous 12 months, by reference to each compliance certificate delivered.

Events of Default

The Facilities contain customary events of default (subject in certain cases to agreed grace periods, thresholds and other qualifications) consistent with facilities of this nature, including (but not limited to): (i) non-payment; (ii) failure to satisfy a financial covenant; (iii) misrepresentation; (iv) cross default; and (v) insolvency.

The cross default event of default will be triggered where:

- (a) any financial indebtedness of the Company or any of its subsidiaries is not paid when due (subject to certain carve outs and any applicable grace period);

- (b) any financial indebtedness of the Company or any of its subsidiaries (subject to certain carve outs) is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described);
- (c) any commitment for any financial indebtedness of the Company or any of its subsidiaries (subject to certain carve outs) is cancelled or suspended by a creditor of the Company or its subsidiaries as a result of an event of default (however described); and
- (d) any creditor of the Company or any of its subsidiaries (subject to certain carve outs) becomes entitled to declare any financial indebtedness of the Company or that subsidiary due and payable prior to its specified maturity as a result of an event of default (however described),

provided that in each case no event of default will occur if the aggregate amount of financial indebtedness or commitment for financial indebtedness falling within the scope of the above is less than US\$50 million (or its equivalent in any other currency or currencies).

Fifth section: Other details

1. The Company's proposed management structure

- **Company's Board Structure**

The Company's current Board of Directors was formed pursuant to the Founders' resolution dated 19 October 2022 based on Article 10 of Law no. (22) of 2022, which that the first Board must be comprised of seven members, including the Chairman, of whom three members are to be appointed by DEWA, inclusive of the Chairman, one member is to be appointed by Emirates Power (an indirect subsidiary of Dubai Holding) and the remaining three members, one of whom shall be female, shall be independent non-executive members. The Board of Directors has wide ranging corporate powers, including the power to: (i) approve the Company's strategic plans and policies and follow-up on their implementation; (ii) supervise the Company's achievement of its objectives; (iii) approve the financial allowances and tariffs for its provided services and raise it to the competent department for approval; (iv) issue regulatory and financial, administrative, technical and procurement policies of the Company and manage its assets; (v) approve the organisational structure of the Company; (vi) divide, transfer, merge, consolidate, sell, and mortgage any of the Company's funds or assets, or any of its owned companies or subsidiaries' funds or assets, as well as assign and dispose of any of them by any legal dispositions; (vii) allow the Company and its owned companies to initiate any investment, borrowing, lending, issue of warranties, guarantees, bonds, sukuk or any other debenture; and (viii) acquire and merge with other companies and establishments and determine the value of the acquisition; (ix) form permanent and temporary and work team committees and defining their tasks and powers; and (x) any other responsibilities as may be determined by the Articles of Association as necessary to achieve its objectives.

The current members of the Board of Directors are as follows:

<u>Name</u>	<u>Position</u>	<u>Independence</u>	<u>Appoint ment</u>
H.E. Saeed Mohammed Ahmad Al Tayer	Chairman	Independent	2004
Nasser Mohammed Bin Lootah	Member	Independent	2010
Hussain Essa Ibrahim Lootah	Member	Independent	2006

Amit Kaushal	Member	Non independent	2021
Issam Abdulrahim Abdulla Kazim	Member	Independent	2021
Fatma Ibrahim Abdulla Belrehif	Member	Independent	2022
Majed Sultan Murad Ali Al Joker	Member	Independent	2022

H.E. Saeed Mohammed Ahmad Al Tayer

His Excellency Saeed Al Tayer has been the Chairman of the Company since 2010 and has been serving as a member of the Board of Directors since 2004. His Excellency Saeed Al Tayer also serves as Managing Director and Chief Executive Officer of DEWA. His Excellency Saeed Al Tayer has more than thirty years of experience in Dubai in the fields of telecommunications, energy and water. His Excellency Saeed Al Tayer was appointed General Manager of DEC in 1991 and subsequently, upon the merger of DEC and DWD, was appointed General Manager of DEWA. His Excellency Saeed Al Tayer is also the Vice Chairman of the Supreme Council of Energy, a member of the Dubai Executive Council and the Strategic Affairs Council, a member of the Dubai Supreme Fiscal Committee and Vice Chairman of the board of directors of Emirates Global Aluminium. His Excellency is the first UAE personality to be awarded an Honorary Fellowship from the Energy Institute, UK. His Excellency Saeed Al Tayer also holds various positions and director roles both within and outside of the Group.

Mr. Nasser Mohammed Hussain Bin Lootah

Mr. Bin Lootah has been a Director of the Group since 2010. Mr. Bin Lootah has been serving as Executive Vice President of Generation (Power and Water) at DEWA since 2005, as Chairman of the Company's finance and audit committee, since 2017, and as a member of the Company's technical committee, since 2017. Mr. Bin Lootah also serves as Advisory Committee Chairman for Dubai's Supreme Council of Energy. Mr. Bin Lootah holds a Bachelor Degree in Electrical and Electronics Engineering from Oregon State University, USA.

Mr. Hussain Essa Ibrahim Lootah

Mr. Lootah has been serving as a Director of the Group since 2006. Mr. Lootah also serves as Executive Vice President of the Transmission Power division of DEWA. Furthermore, Mr. Lootah was Executive Vice President of Transmission and Distribution from 2006 to 2008, prior to which, Mr. Lootah has served in several roles throughout the DEWA group. Mr. Lootah also serves as a Director for four of DEWA's independent power producers.

Mr. Amit Kaushal

Mr. Kaushal has been serving as a Director of the Group since 2021. Mr. Kaushal also serves as the Chief Executive Officer of the Dubai Holding group, a position he has held since 2018. Mr. Kaushal leads Dubai Holding's operations in 13 countries, across a diverse range of sectors including real estate, hospitality, media, retail, leisure and entertainment. Under Mr. Kaushal's leadership, Dubai Holding has achieved sustainable economic growth, further cementing Dubai Holding's position as one of the UAE's largest and most diverse conglomerates. Over the course of his tenure, Mr. Kaushal has led several transformational initiatives that have propelled Dubai's thriving tourism industry and spurred growth in strategic sectors in line with its economic diversification agenda. Mr. Kaushal has been instrumental in the success of key strategic Dubai Holding projects in the UAE and internationally, including Ain Dubai and the Brookfield Asset Management joint venture. He has also served on the boards of several regional and international hospitality, energy, retail and real estate organisations and currently serves as a director of TECOM Group and Azadea Holding. Mr. Kaushal's prior experience includes 10 years with leading investment banks in London and Dubai, where he worked for Goldman Sachs, UBS and Deutsche Bank across transaction advisory and structuring and capital markets disciplines. Mr. Kaushal holds

a Master of Philosophy in Finance from the University of Cambridge and a BSc (First Class Honours), Operational Research, Statistics and Economics from the University of Warwick.

Mr. Issam Abdulrahim Abdulla Kazim

Mr. Kazim has been a Board Member since 2021. He is the CEO of Dubai Corporation for Tourism and Commerce Marketing, which was established in December 2013 as a subsidiary of the Department of Economy and Tourism in Dubai. Since its incorporation, Mr. Kazem has been keen to develop the company's work by managing all activities related to the brand and marketing campaigns for the city. He plays a key role in negotiating and contracting global partnerships and developing innovative tools and platforms based on documented data and accurate statistics to expand the digital and social system of the "Visit Dubai" website and improve the level of tourist experience in Dubai. He also oversees the development of business relationships with partners and investors to contribute to achieving significant growth rates for the tourism sector in Dubai.

Mr. Kazem previously held the position of Director of Marketing and Corporate Communications at Dubai World Trade Center and Senior Director of DXB Live, a subsidiary of Dubai World Trade Center, where he was responsible for launching many strategic events and activities such as Dubai Sports World and Dubai Music Week, and he is currently a member of Board of Directors of Dubai Media Council.

Ms. Fatma Ibrahim Abdulla Belrehif

Mrs. Balrahif has been a member of the Group's Board of Directors since 2022, and she is also the Chief Executive Officer of Dubai Schools Inspection Bureau at the Knowledge and Human Development Authority, which sets the standards for, and assures the quality of, private schools in Dubai. She also leads the team responsible for the axis of inclusive education as part of the "My Community. A City for Everyone" initiative, under the supervision of the Higher Committee for the Protection of the Rights of People of Determination in the Emirate of Dubai.

Fatima Belrahif won the "Outstanding Administrative Employee" award within the Dubai Government Excellence Program and holds a Bachelor of Science degree in Education from Zayed University; She has a master's degree in public administration from the Mohammed bin Rashid School of Government, and she graduated in 2021 from the "Dubai Leaders Program" at the Mohammed bin Rashid Center for Leadership Development.

Mr. Majed Sultan Murad Ali Al Joker

Mr. Al Joker has been Director of the Group since 2022. He has also been in an executive role since 2018 and in early 2022 was appointed as the Chief Operating Officer of Dubai Airports. As part of his role Mr. Al Joker oversees Terminal Service Delivery, Airside Service Delivery, the Airport Operations Control Centre, Security, and Safety and Sustainability. Mr. Al Joker previously served as Deputy Director, Airport Operations at the Abu Dhabi Airports Company and Manager, Airport Services (West Asia) for Emirates Airlines. Mr. Al Joker holds a Master's of Science degree in International Business Management from Heriot-Watt University.

The term of service of the Board of Directors is three years. Mr. Ahmad Bin Shafar is the Chief Executive Officer of the Group. Six of the Directors are independent, and all of them are non-executive.

The business address for each of the Directors is Al Hudaiba Awards Building, Block A, 8th Floor, Opposite Union House Jumeirah Beach Road, 2nd December Street, Dubai, UAE.

In addition, H.E. Saeed Mohammed Al Tayer is also the Vice Chairman of the Supreme Council of Energy, which is responsible for setting policies in respect of the energy sector in Dubai, including those potentially pertaining to the Group. As Vice Chairman of the Supreme Council of Energy, His Excellency Saeed Al Tayer abstains from voting on matters relating to the Group. While the Supreme Council of Energy is able to make recommendations in relation to tariffs with respect to the energy prices, it does not unilaterally determine energy policy in the Emirate of Dubai. His

Excellency Saeed Al Tayer role on the Supreme Council of Energy also provides an opportunity to advocate for certain policy considerations in the energy sector in Dubai. See “Regulation–Supreme Council of Energy”.

- **Senior Management**

The current members of the Group’s senior management are as follows:

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

H.E. Ahmad Bin Shafar - Chief Executive Officer

His Excellency Bin Shafar joined the Group at its inception and has been serving as its Chief Executive Officer since inception. His Excellency Bin Shafar has been with Group for 18 years and brings over 26 years of experience in senior management positions including eight years with Standard Chartered Bank in Corporate and Retail Banking, Finance, Marketing and Customer Relations. As Chief Executive Officer, His Excellency Bin Shafar provides strategic direction and, under his leadership, Empower has become the World’s Largest DCS provider, from a capacity perspective, within a short span of a decade. His Excellency Bin Shafar also serves as the Chairman of the Board of Directors of ELIPS since 2007, as a member of the board of the International District Energy Association, since 2013, as Executive Chairman of Bin Shafar Holding, since 2012, as Chairman of the District Cooling Operators’ Association, Dubai since 2020, and as a member of the board of the Dubai Sports Council, from 2009 to 2022. Mr. Bin Shafar is also the chairman of Hamdan Sports Complex and Al Wasl Club Dubai. His Excellency Bin Shafar is a member of the Cranfield Management Association, of IMD International and of the American Society of Heating, Refrigerating and Air-Conditioning Engineers. His Excellency Bin Shafar holds a Bachelor’s of Science in Business Administration in Management from California State University, Los Angeles, USA.

Mr. Ramesh Ramadurai - Chief Financial Officer

Mr. Ramadurai joined the Group in 2004 and has been serving as its Chief Financial Officer since 2010. Mr. Ramadurai has over 35 years of management experience in audit, financial management and planning, risk management, funding and treasury management, project financing, business strategy, project evaluation, business modelling and valuations and accounting, statutory and management reporting. Prior to joining the Company, Mr. Ramadurai was employed by TECOM Group, an indirect subsidiary of Dubai Holding, and between 1993 and 2000, he was employed with a large regional group, where he held senior management level positions handling finance and systems functions. Mr. Ramadurai also serves as a member of the board of ELIPS since 2007. Mr. Ramadurai holds a Bachelor’s Degree in Commerce from the University of Madras, India, and the

following professional qualifications: FCA, ACMA, ACS, CPA, CMA, CFM, CISA and CFA certifications.

Eng. Tariq Alyasi - Chief Operations and Maintenance Officer

Eng. Alyasi joined the Group in 2006 and has been serving as Chief Operations and Maintenance Officer since 2010 and as Acting Head of Project Management Office since 2016. Mr. Eng. Alyasi has over 25 years of experience and has been with the Group for 16 years, previously serving as Director of Operations and Maintenance for the Company from 2006 to 2010 and as a board member for Dubai Carbon Centre of Excellence from 2012 to 2019. Eng. Alyasi has also served in multiple other roles throughout the Group. Eng. Alyasi holds a Bachelor's of Science in Petroleum Engineering from the University of Tulsa, USA.

Eng. Mohamed Samer Khoudeir - Chief Sales & Marketing Officer

Eng. Khoudeir joined the Group in 2005 and has been serving as Chief Sales & Marketing Officer since 2010. Eng. Khoudeir is responsible for the Group's sales, marketing and customer service functions and has experience in the field of heating, ventilation, air conditioning and refrigeration products and services. Eng. Khoudeir also serves as the General Manager and board member of ELIPS. Eng. Khoudeir is a member of the The American Society of Heating, Refrigerating and Air-Conditioning Engineers, the Syrian Society of Engineers, and the UAE Society of Engineers. Eng. Khoudeir holds a Bachelor's Degree in Mechanical Engineering from Aleppo University, Syria, and a Post Graduate Certificate in Management from Bournemouth University, UK.

Eng. Edgar Qureshi - Chief Commercial Officer

Eng. Qureshi joined the Group in 2004 and has been serving as Chief Commercial Officer since 2014. Prior to joining the Group, Eng. Qureshi worked at TECOM Group and has over 28 years of management experience in developing commercial and project management departments in numerous high profile start-up companies. Since joining the Group Eng. Qureshi has lead and developed the contract, commercial, procurement and legal functions of the Group and has led all contractual and commercial negotiations of the Group's joint ventures and acquisitions. In addition to establishing the Group's commercial department, Eng. Qureshi was responsible for restructuring and leading the project management department and held the joint roles of Chief Commercial Officer and Chief Projects Officer for seven years between 2007 and 2014. Eng. Qureshi has also held positions of responsibility at Shire Consultancy, Laing UK, Al Owaidah General Contracting KSA/UAE, and numerous Dubai Holding and Sheikh Mohammed entities. Eng. Qureshi also serves as a board member for ELIPS. Eng. Qureshi holds a Bachelor's of Civil Engineering from Imperial College of Science, Technology and Medicine, University of London, UK and is chartered by the Institution of Civil Engineers. In addition, he has professional qualifications in Contract Law and Administration from the same institution.

Mr. Mohammed Salman Mohammed Kahoor- Chief Business Support Services Officer

Mr. Kahoor joined the Group in 2005 and has been serving as Chief Business Support Services Officer since 2019. Mr. Kahoor has over 34 years of total experience in the areas of commercials, purchase, administration, stores and stock control, customer services, quality and event management. Mr. Kahoor has held senior management positions with Emirates Power and DEWA. At TECOM Group, Mr. Kahoor held the positions of Head of Administration, Director of Commercial Operations Services Corp and of Director of Protocol and Customer Services where he carried out various assignments including establishing the Hospitality Services and Protocol Affairs section and Government Operation Services section. Mr. Kahoor spent 11 years with DEWA, during which he was responsible for Stores Operations and Inventory Management. Mr. Kahoor holds a Bachelor's of Science in General Business Administration from the University of Arizona, USA.

Mr. Ahmad AlQassem -Director - Human Capital

Mr. AlQassem joined the Group in 2013 as a Senior Manager for Human Capital, serving as Director of Human Capital from 2018 and as Director of Human Capital since 2019. Prior to which, Mr.

Alqassem served in various senior management roles for DP World, Dubai Properties Group and Serco ME. Mr. Alqassem holds a Bachelor's Degree in Public Administration from Al-ain University, UAE.

Mr. Murugesan Vasanthan - Director - Internal Audit

Mr. Vasanthan joined the Group and has been serving as Director of Internal Audit since 2013. Mr. Vasanthan has over 29 years of experience in internal audit and finance, particularly in the execution of financial, operational and compliance audits and fraud investigations across IT, consumer care, engineering and utilities businesses in US, Europe, India and Middle East regions. Prior to this Mr. Vasanthan has served in senior management roles in internal audit, business finance and enterprise risk management departments of Wipro Ltd, a leading global IT company. Mr. Vasanthan holds a Bachelor's Degree in Corporate Secretaryship from the University of Madras, India, and has ACA and CMA professional qualifications from ICAI & ICMA, India.

Compensation

For the year ended 31 December 2021, the aggregate total remuneration paid by the Company to its Directors and key management was AED 19.4 million as compared to AED 18.4 million for the year ended 31 December 2020.

- **Company's Organization Chart**

The Company's organization chart is appended to this Prospectus at Annex (4).

- **Employment positions of members of the senior executive in subsidiaries and other joint stock companies:**

Not applicable.

- **Employment positions of members of the board of directors in subsidiaries and other joint stock companies:**

Name	Position
Nasser Mohammed Bin Lootah	Executive Vice President of Generation (Power and Water) of DEWA
Hussain Essa Ibrahim Lootah	Executive Vice President of the Transmission Power division of DEWA

- **Conditions of eligibility, election, removal, and proposed names of the Company's first Board formation:**

Board members will be elected by a General Assembly Meeting by cumulative voting through secret ballot. However, the first appointment of the Directors was made by the Founders, pursuant to Empower Law.

- **Director's competencies and responsibilities:**

The Board of Directors shall have all the powers to manage the Company and the authority to perform all deeds and acts on behalf of the Company and to carry out all the functions required by its objectives. Such powers and authorities shall not be restricted except as stipulated in the Law, the Empower Law, and these Articles or as to be resolved by the General Assembly. Without limiting the generality of the foregoing and the powers vested in the Board pursuant to Article 11 of the Empower Law, the Board of Directors is further hereby expressly authorised, for the purpose of Article 154 of the Companies Law, to conclude any loan agreements (including, but not limited to, for periods in excess of three (3) years), to, acquire, sell or mortgage the Company's real estate and assets or mortgage the movable and immovable assets, to release the Company's debtors and to conduct conciliation and agree to arbitration, agree on the application of foreign laws to any of its

agreements, to file lawsuits and to settle the same, , and to establish, invest in, sell, dissolve and liquidate fully- or partially-owned companies and subsidiaries.

The Board of Directors shall approve policies relating to the administrative and financial affairs of the Company, and to personnel/employee affairs and their financial entitlements. The Board of Directors shall also organise its affairs, meetings and decide and approve the allocation and delegation of its authorities and responsibilities.

The Board of Directors shall undertake the general supervision of the Company, conduct its affairs and perform the functions entrusted to it under the Empower Law and the Articles of Association. In particular, it may undertake any of the following:

1. Approve the Company's strategic plans and policies and follow up on their implementation.
2. Supervise the Company's achievement of its objectives.
3. Issue the financial, administrative, technical and purchasing regulations/policies of the Company and manage its assets.
4. Divide, transfer, merge, consolidate, sell and mortgage any of the Company's funds or assets assign and dispose any of them by any legal dispositions.
5. Allow the Company and its owned companies to initiate in any investment, borrowing and lending or issuing of warranties, guarantees, bonds, sukuk or any other debentures, in accordance with the legislations in force.
6. Acquire and merge the companies and establishments and determine the value of the acquisition.
7. Any other responsibilities as may be determined by the Articles of Association.;

2. Board Committees

the Board intends to operate and constitute an Audit and Risk Committee and a Nomination and Remuneration Committee and ESG Committee. A high-level overview of the mandate of each of these committees, is set out below:

• Audit and Risk Committee

Certain members of the Board of Directors constitute a committee to review and oversee the Group's internal and external audit and financial and accounting policies. The members of the Audit and Risk Committee are appointed by the Board of Directors on a three-year basis. The current members of the Audit and Risk Committee appointed in 2022 are as follows:

Name	Position
Hussain Essa Ibrahim Lootah	Chairman
Nasser Mohammed Hussain Bin Lootah	Member
Amit Kaushal	Member
Issam Abdulrahim Abdulla Kazim	Member

The Audit and Risk Committee meets at least once every three months.

The duties of the Audit and Risk Committee include overseeing and assessing the effectiveness of the Group's corporate governance, disclosure, internal control, and risk management systems as well as reviewing the Group's financial and accounting policies and procedures, monitoring, and reviewing the integrity of the Group's financial statements and reports and its controls, overseeing matters relating to the Group's external auditor, overseeing matters relating to the Group's internal audit,

reviewing related party transactions and making appropriate recommendations to the Board in respect of any such matters and review and approve the annual risk based internal audit plan..

- **Nomination, Remuneration and ESG Committee**

Certain members of the Board of Directors constitute a committee to review and oversee the Group's nomination and remuneration, as well as ESG matters.

The current members of the Nomination, Remuneration and ESG Committee appointed in 2022 are as follows:

Name	Position
Nasser Mohammed Hussain Bin Lootah	Chairman
Amit Kaushal	Member
Fatma Ibrahim Abdulla Belrehif.....	Member
Majed Sultan Murad Ali Al Joker	Member

The duties of the Nomination, Remuneration and ESG Committee include developing a policy to apply for membership to the Board and senior management taking into account gender diversity, and relevant regulatory and independence requirements, ensuring the independence of independent Board members, reviewing and overseeing the remuneration and benefits of senior management, reviewing human resource policies of the Group and making recommendations to the Board in respect of any of the relevant matters where appropriate. It is also expected to be responsible for periodically reviewing the Board's structure and identifying potential candidates to be appointed as Directors or committee members as the need may arise.

In relation to the ESG: the duties of the review and oversee the content of and approach to the ESG strategy, taking into account the Company's core objectives, ensure the ESG strategy is considered by the Board as part of the overall business strategy of the Company.

The Nomination and Remuneration and ESG Committee meets every 6 months.

Corporate Governance

The Group follows best governance practices. It has Board committees in place, including the audit and risk committee and the nomination, remuneration and ESG committee. The Board of Directors is composed of six independent Directors and one non-independent Director, and all of the Directors are non-executive.

The Group has established an Enterprise Risk Management model and an Information Security Management system to adopt and comply with best international practices and approved Quality, Occupational, Health, Safety and Environment ("QHSE") standards, which includes complying with all applicable, rules, policies and other requirements related to QHSE that are globally accepted and applicable to the Group. Other policies of the Group include, for example, whistleblowing policies and its Code of Conduct.

The Group successfully manages its relationships with its stakeholders through effective stakeholder engagement. Stakeholders' rights and contribution are recognised and assured within the Group's governance framework. The Group recognises the following as its key internal and external stakeholders: (i) Group employees; (ii) customers; (iii) core suppliers and consultants; (iv) master developers; (v) and investors. See "Business–Employees" and "Business–Relationships with Third Parties".

In the five years preceding the date of this Prospectus, no member of the Board of Directors or member of Senior Management described above has been convicted of any fraudulent offence, served as

director, partner, founder or senior manager of any organisation at the time of any bankruptcy, receivership, any official public incrimination or sanctions by statutory or regulatory authorities, including designated professional bodies, or has been disqualified by a court from acting as a director of an issuer or from acting in the management or conduct of affairs of any issuer.

3. Shareholders' rights and responsibilities

The Shareholders' key rights as per the Companies Law and the Articles of Association are as follows:

- The right to dividend distributions determined by the General Assembly.
- The priority right to subscribe for new shares in the case of a share capital increase of the Company offerings and to receive their share of the assets upon liquidation of the Company.
- The right to attend General Assembly Meetings and receive a copy of the Company's financial statements.
- The right to request the nullity of any resolutions passed at the General Assembly and to prosecute the board members.
- The right to be nominated as a member of the Board of Directors.
- The right to appoint the auditors of the Company and determine their remuneration.
- The right to act in any way with respect to the shares, in accordance with the law.
- The limitation of liability of each Shareholder to the payment of the purchased share value, but not for the Company's debts except within the limits of the nominal value of his shares.

4. Articles of Association

The full text of the Articles of Association of the Company is annexed to this Prospectus.

5. Legal matters

The following summary is qualified by the relevant provisions of the Articles of Association and the Companies Law.

- **Articles of Association**

The Articles of Association describe the rights and obligations associated with the ownership of the Shares in detail.

- **Attending General Assembly and voting rights**

Each Shareholder shall have the right to attend the General Assembly meetings and shall have a number of votes equal to the number of his Shares.

- **Share register**

Upon listing on the DFM, the Shares will be dematerialized and the share register will be maintained by the DFM at Dubai CSD.

- **Financial information**

A Shareholder is entitled to request a copy of the annual audited financial statements of the Company.

- **Financial year**

The financial year of the Company will start on the 1st of January and end on 31st of December of each year.

- **Dividends and liquidation proceeds**

The Company shall pay dividends on Shares in compliance with the regulations and decisions issued by the Authority. Eligible Shareholders shall have the sole right to the profits due on those Shares. In the event of liquidation of the Company, each Shareholder shall be entitled to a part of the Company's assets in accordance with Article 223 of the Companies Law.

- **Interim Dividends**

Subject to the Board' approval, the Company may distribute interim dividends on a semi annual or quarterly basis, provided that such interim dividends shall be ratified by the first annual general assembly meeting of the Company

- **General Assembly**

The Board may convene a General Assembly whenever it deems necessary. The Shareholders may also require the Board to convene a meeting if it is requested by a number of Shareholders holding not less than 10% (ten per cent). of the Company's issued share capital. In any event, the General Assembly must convene at least once a year upon an invitation by the Board within the four (4) months following the end of the financial year at the place and the time specified in the invitation to the meeting.

Any resolution adopted by the General Assembly without consideration to the Company's interests in favor of a particular group of Shareholders, causing damage to them or providing a private benefit to the members of the Board or to third parties, may be revoked.

The judgment annulling a resolution of a General Assembly shall consequently lead to the resolution being considered as non-existent vis a vis all Shareholders. The Board must publish the annulment judgment in two local daily newspapers published in the Arabic language.

Proceedings for annulment are time barred on the expiry of sixty days from the date of adopting the resolution contested. Initiating the proceedings will not prevent the implementation of the resolution unless the court decides otherwise.

- **Liability of the Board**

The Board shall be liable towards the Company, the Shareholders and third parties for all acts of fraud, abuse of power, violation of the law or the Company's Articles of Association, in addition to mismanagement. The Company shall have the right to initiate proceedings against the members of the Board claiming damages suffered by the Shareholders as a result of the Board's abuse of power, violation of the law or the Company's Articles of Association and mismanagement. A resolution of the General Assembly shall be adopted specifying who shall initiate the proceedings on behalf of the Company.

Any Shareholder may independently initiate proceedings if the Company fails to do so, if the Board's acts have caused a particular damage to the initiating Shareholder. However, he must notify the Company of his intention to initiate proceedings beforehand.

- **Appointment of the Chairman and the Powers of the Chairman**

The Articles of Association provide that the Board of Directors shall elect, from amongst their members, a chairman and a vice-chairman. The chairman shall represent the Company before the courts and shall execute the resolutions adopted by the Board of Directors. In the event that there is an equality of votes by the directors, then the Chairman shall have a casting vote.

6. Independent Auditors

The consolidated financial statements of Emirates Central Cooling Systems Corporation PJSC as of and for the years ended 31 December 2021 (which includes the unaudited comparative financial information as of and for the year ended 31 December 2020) and 31 December 2020 (which includes the unaudited comparative financial information as of and for the year ended 31 December 2019)

included in this Prospectus have been audited by PricewaterhouseCoopers (Dubai Branch) ("PwC") (the "Independent Auditors") in accordance with the International Standards on Auditing ("ISAs") as stated in their independent auditor's reports appearing herein.

The unaudited interim condensed consolidated financial statements as at and for the three and six months ended 30 June 2022 (which includes the comparative financial information for the three months (unaudited and not reviewed) and six months (unaudited) ended 30 June 2021 included in this Prospectus have been reviewed by PwC in accordance with International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity" as stated in their review report appearing herein.

The unaudited interim condensed consolidated financial statements as at and for the three and nine months ended 30 September 2022 (which includes the unaudited and not reviewed comparative financial information for the three and nine months ended 30 September 2021) included in this Prospectus have been reviewed by PwC in accordance with International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity" as stated in their review report appearing herein.

PricewaterhouseCoopers (Dubai Branch)

Building 5, Emaar Square

P.O. Box 11987,

Dubai, UAE

7. Details of any employee ownership scheme

The Company does not have any employee share ownership schemes.

Annex 1 - Financial Statements

Emirates Central Cooling Systems Corporation

Consolidated financial statements for the year ended 31 December 2020

Emirates Central Cooling Systems Corporation

Consolidated financial statements for the year ended 31 December 2020

	Pages
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Consolidated statement of financial position	4
Consolidated statement of comprehensive income	5
Consolidated statement of changes in equity	6
Consolidated statement of cash flows	7
Notes to the consolidated financial statements	8 – 42



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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Mohamed ElBorno, Jacques Fakhoury, Douglas O'Mahony and Rami Sarhan are registered as practising auditors with the UAE Ministry of Economy



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.



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.

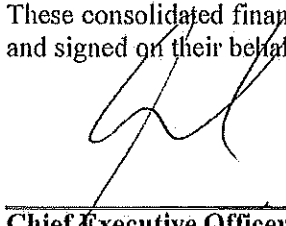
A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

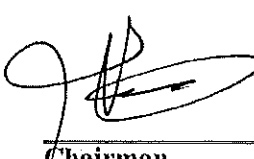
PricewaterhouseCoopers
United Arab Emirates
19 January 2021

Emirates Central Cooling Systems Corporation
Consolidated statement of financial position

		As at 31 December	
	Notes	2020 AED'000	2019 AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	6,713,255	6,199,101
Right-of-use assets	6	18,529	24,368
Financial assets at fair value through other comprehensive income	7	57,653	-
Investment in a joint venture		307	307
		<u>6,789,744</u>	<u>6,223,776</u>
Current assets			
Inventories	8	35,081	41,852
Trade and other receivables	9	306,601	270,740
Due from related parties	10	14,471	2,756
Cash and cash equivalents	11	1,086,696	331,247
		<u>1,442,849</u>	<u>646,595</u>
Total assets		<u>8,232,593</u>	<u>6,870,371</u>
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to owners of the parent			
Capital	12	1,000,000	1,000,000
Statutory reserve	13	500,000	500,000
Other reserves		2,281	-
Retained earnings		3,208,164	2,707,214
Contributed capital	14	82,190	64,690
		<u>4,792,635</u>	<u>4,271,904</u>
Non-controlling interests		2,115	1,803
Total equity		<u>4,794,750</u>	<u>4,273,707</u>
LIABILITIES			
Non-current liabilities			
Bank borrowings	15	1,154,860	352,397
Government grant	16	373,670	376,450
Lease liabilities	6	14,595	19,860
Provision for employees' end of service benefits	17	45,450	37,316
		<u>1,588,575</u>	<u>786,023</u>
Current liabilities			
Trade and other payables	18	1,473,914	1,584,291
Due to related parties	10	199,246	148,141
Bank borrowings	15	167,179	68,277
Government grant	16	2,780	2,780
Lease liabilities	6	6,149	7,152
		<u>1,849,268</u>	<u>1,810,641</u>
Total liabilities		<u>3,437,843</u>	<u>2,596,664</u>
Total equity and liabilities		<u>8,232,593</u>	<u>6,870,371</u>

These consolidated financial statements were approved by the Board of Directors on 19 January 2021 and signed on their behalf by:


Chief Executive Officer


Chairman

Emirates Central Cooling Systems Corporation

Consolidated statement of comprehensive income

	Notes	Year ended 31 December	
		2020 AED'000	2019 AED'000
Revenue	19	2,255,115	2,189,340
Cost of sales	20	(1,216,084)	(1,220,327)
Gross profit		1,039,031	969,013
General and administrative expenses	21	(189,036)	(170,594)
Other income	23	58,527	85,133
Operating profit		908,522	883,552
Finance income	24	4,618	7,226
Finance costs	24	(11,878)	(19,767)
Finance costs – net		(7,260)	(12,541)
Share of profit of joint venture		-	124
Net profit for the year		901,262	871,135
Profit attributable to:			
Owners of the parent		900,950	870,602
Non-controlling interests		312	533
		901,262	871,135
Profit for the year		901,262	871,135
Other comprehensive income for the year	7	2,281	-
Total comprehensive income for the year		903,543	871,135
Total comprehensive income for the year attributable to:			
Owners of the parent		903,231	870,602
Non-controlling interests		312	533
		903,543	871,135

Emirates Central Cooling Systems Corporation

Consolidated statement of changes in equity

		Attributable to owners of the parent							
	Notes	Capital AED'000	Statutory reserve AED'000	Other reserves AED'000	Retained earnings AED'000	Contributed capital AED'000	Total equity AED'000	Non-controlling interests AED'000	Total AED'000
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	13	-	60,085	-	(60,085)	-	-	-	-
Dividends declared		-	-	-	(300,000)	-	(300,000)	-	(300,000)
At 31 December 2019		1,000,000	500,000	-	2,707,214	64,690	4,271,904	1,803	4,273,707
Balance as 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		-	-	-	-	17,500	17,500	-	17,500
Comprehensive income									
Profit for the year		-	-	-	900,950	-	900,950	312	901,262
Other comprehensive Income for the year	7	-	-	2,281	-	-	2,281	-	2,281
Transactions with owners									
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

The notes on pages 8 to 42 are an integral part of these consolidated financial statements.

Emirates Central Cooling Systems Corporation

Consolidated statement of cash flows

	Notes	Year ended 31 December	
		2020 AED'000	2019 AED'000
Cash flows from operating activities			
Profit for the year		901,262	871,135
Adjustments for:			
Depreciation of property, plant and equipment	5	284,960	255,054
Depreciation of right-of-use assets	6	7,017	6,620
Impairment reversal of project cost		(53,529)	(80,294)
Amortisation of arrangement fee		1,510	1,582
Share of profit of joint venture		-	(124)
Provision for impairment of trade receivables	9	13,823	351
Provision for employees' end of service benefits	17	8,823	5,748
Interest on lease liabilities		1,146	1,214
Finance income	24	(4,618)	(7,226)
Finance costs	24	9,222	16,971
Government grant income	16	(2,780)	(2,780)
Changes in working capital:			
Inventories	8	6,771	(4,170)
Trade and other receivables, net of write-off of receivables and advances to CAPEX suppliers	9,18	(62,438)	(8,488)
Due from related parties	10	(11,715)	5,663
Trade and other payables, excluding project-related payables, project accruals and retention payables	18	(50,236)	(21,069)
Due to related parties, net of dividends declared	10	(18,895)	(16,676)
Cash generated from operations		1,030,323	1,023,511
Payment of employees' end of service benefits	17	(689)	(834)
Net cash generated from operating activities		1,029,634	1,022,677
Cash flows from investing activities			
Payment for property, plant and equipment, net of project accruals, retention payables and advances to CAPEX suppliers	5,9,18	(775,473)	(676,661)
Finance income received	24	4,618	7,226
Short-term deposits (more than 3 months) encashed / (invested)		(17,500)	-
Financial assets acquired	7	(55,372)	-
Changes in the fair value of debt instruments		-	-
Net cash generated from/used in investing activities		(843,727)	(669,435)
Cash flows from financing activities			
Proceeds from bank borrowings		969,645	488,881
Repayment of bank borrowings	15	(69,789)	(69,789)
Dividends paid to shareholders		(330,000)	(470,000)
Payment of lease liabilities		(8,592)	(8,064)
Finance costs paid	24	(9,222)	(16,971)
Net cash used in financing activities		552,042	(75,943)
Net increase in cash and cash equivalents		737,949	277,299
Cash and cash equivalents at the beginning of the year		331,247	53,948
Cash and cash equivalents at the end of the year	11	1,069,196	331,247

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2020

1 Establishment and operations

Emirates Central Cooling Systems Corporation ("EMPOWER") ("the Corporation") was established on 23 November 2003 as a corporate entity in accordance with Article 3 of Law No. (10) "Emirates Central Cooling System Corporation Incorporation Law for the year 2003" ("the Decree") and commenced commercial operations on 15 February 2004. The Corporation was established as a joint venture between Dubai Electricity and Water Authority ("DEWA"), which is ultimately owned by the Government of Dubai, and the Dubai Development Authority (formerly known as Dubai Creative Clusters Authority) ("the authority"). However, the beneficial interest of the authority was transferred to Tecom Investments FZ-LLC ("TECOM") effective from inception. The ultimate majority shareholder of TECOM is His Highness Mohammed Bin Rashid Al Maktoum.

On 23 November 2009, a letter was issued by the Ruler's Court allowing DEWA to increase its shareholding to 70% in the Corporation and to dilute TECOM's interest to 30%. This change in the shareholding structure has been formalised through Decree No. 3 of 2010 issued by the Ruler's Court.

The principal activities of the Corporation are the provision of district cooling services and management, operation and maintenance of central cooling plants and related distribution networks. The principal office of the Corporation is P.O. Box 8081, Al Hudaiba Awards Building, Dubai, United Arab Emirates.

These consolidated financial statements relate to the Corporation and its subsidiaries (jointly referred to as "the Group").

The Corporation has the following subsidiaries:

Subsidiary	Principal activities	Beneficial holding	
		2020	2019
Empower Logstor LLC ("ELIPS")	Manufacturing of pre-insulated pipes, mainly for district cooling	97.0%	97.0%
Palm District Cooling LLC	Establish and operate district cooling projects and provide air-conditioning, ventilation and refrigeration services	99.9%	99.9%
Palm Utilities LLC	Establish and operate district cooling projects and provide air-conditioning, ventilation and refrigeration services	99.5%	99.5%
Empower FM LLC	Air-conditioning, ventilation, and air filtration systems installation and maintenance	100%	-
Empower Engineering & Consultancy LLC	Project development consultant	100%	-

ELIPS was established during the year 2007 with the Corporation having a 51% shareholding and Logstor Holding, Denmark having a 49% shareholding. During 2012, the Corporation increased its shareholding to 97% in ELIPS and diluted Logstor Holding, Denmark's interest to 3%.

During 2013, EMPOWER acquired a 99.5% interest in Palm Utilities LLC ("PU") and a 99.9% interest in its subsidiary Palm District Cooling LLC ("PDC").

During 2020, the Corporation established two subsidiaries, namely Empower FM LLC and Empower Engineering & Consultancy LLC with a 100% shareholding in each. The principal activities of Empower FM LLC and Empower Engineering & Consultancy LLC are shown in the table above.

The consolidated financial statements of the Group for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the Board of Directors on 19 January 2021.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)

2 Summary of significant accounting policies

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

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with and comply with International Financial Reporting Standards ("IFRS"). The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

(a) New and amended standards adopted by the Group during the year

There were no new or amended standards that were required to be adopted by the Group during the year that had a material impact on the Group's consolidated financial statements.

(b) New standards, amendments and interpretations – not effective for the financial year beginning 1 January 2020 and not early adopted by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group.

The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)

2 Summary of significant accounting policies (continued)

2.2 Consolidation (continued)

Acquisition-related costs are expensed as incurred. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income.

Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity. Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(b) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is 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 recognised 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 recognised in other comprehensive income are reclassified to profit or loss.

(c) Joint arrangements

The Group applies IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligation's of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)

2 Summary of significant accounting policies (continued)

2.3 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial year in which they are incurred.

Land is not depreciated. Depreciation on other assets is computed, using the straight-line method, at rates calculated to reduce the cost of assets to their estimated residual values over their expected useful lives as follows:

	Years
Plant, equipment and machinery	2 to 30
Buildings	25
Furniture and fixtures	3 to 5
Leasehold improvements	3 to 4
Computer equipment	3
Vehicles	3 to 5

The asset's residual values and useful lives are reviewed and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognized within profit and loss in the consolidated statement of comprehensive income.

Capital work in progress is stated at cost. When commissioned, capital work in progress is transferred to property, plant and equipment and depreciated in accordance with the Group's policies.

2.4 Impairment of non-financial assets

Assets that have an indefinite useful life, for example, land, are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)

2 Summary of significant accounting policies (continued)

2.5 Financial assets

(i) Classification

The Group classifies its financial assets as at amortised cost. The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows except for financial assets which are considered as equity instrument.

Business model: The business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at Fair Value through Profit or Loss ("FVPL"). Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

Solely Payments of Principal and Profit ("SPPI"): Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether financial instruments' cash flows represent SPPI.

In making this assessment, the Group considers whether contractual cash flows present a nature consistent with a basic lending arrangement (i.e. profit includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with basic lending arrangement).

The Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the year.

Classification of financial assets at amortised cost

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- The asset is held within a business model whose objective is to collect the contractual cash flows; and
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

The Group determines the amount of fair value changes which are attributable to credit risk, by first determining the changes due to market conditions which give rise to market risk, and then deducting those changes from the total change in fair value of the

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)

convertible debentures. Market conditions which give rise to market risk include changes in the benchmark interest rate.

2 Summary of significant accounting policies (continued)

2.5 Financial assets (continued)

(i) Classification (continued)

Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprise of equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.

The financial assets of the Group are as follows:

	Carrying amount	
	2020 AED '000	2019 AED '000
Trade and other receivables	306,601	270,740
Cash and bank balances	1,086,696	331,247
Due from related parties	14,471	2,756
Financial assets at fair value through other comprehensive income	57,653	-

The Group holds the following financial assets with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

- Cash and bank balances, which include cash in hand and balances in current accounts.
- Trade receivables, other receivables and due from related parties. Trade receivables are amounts due from customers for goods and 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 recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. Other receivables generally arise from transactions outside the usual operating activities of the Group. Collateral is not normally obtained for other receivables. Further information relating to due from related parties are disclosed in Note 9.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)

2 Summary of significant accounting policies (continued)

2.5 Financial assets (continued)

(ii) Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset, including trade receivables, at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the consolidated statement of comprehensive income. Immediately after initial recognition, an expected credit loss (ECL) allowance is recognised for financial assets measured at amortised cost and at fair value through other comprehensive income (FVOCI), which results in accounting loss being recognised in profit or loss when an asset is newly originated. When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the Group recognises the difference as follows:

- a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
- b) In all other cases, the difference is deferred and the time of recognition of deferred day one profit or loss is determined individually. It is either amortised over life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

(iii) Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- *Amortised cost:* Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and profit are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Profit income from these financial assets, if any, is included in finance income using the effective profit rate method.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)

2. Summary of significant accounting policies (continued)

2.5 Financial assets (continued)

(iii) Subsequent measurement (continued)

- *Fair value through other comprehensive income (FVOCI)*: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and profit, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, profit income, if any and foreign exchange gains and losses which are recognised in profit and loss.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Profit income, if any, from these financial assets is included in finance income using the effective profit rate method.

- *Fair value through profit or loss (FVTPL)*: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in the statement of comprehensive income and presented net in the statement of comprehensive income within other gains/(losses) in the year in which it arises. Profit income, if any, from these financial assets is included in the finance income.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in the statement of comprehensive income as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other income/(losses) in the consolidated statement of comprehensive income, as applicable.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)

2. Summary of significant accounting policies (continued)

2.5 Financial assets (continued)

(iv) *Impairment*

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk and is computed 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.

As trade receivables held by the Group have short credit period (i.e. tenor less than or equal to 12 months and does not comprise significant financing component), the Group applies simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised for receivables.

For all other receivables, at the end of each year the Group applies a three stage impairment approach to measure the expected credit losses (ECL) on all debt instruments carried at amortised cost.

The ECL three stage impairment is based on the change in the credit quality of financial assets since initial recognition. If, at the reporting date, the credit risk of non-impaired financial instruments has not increased significantly since initial recognition, these financial instruments are classified in Stage 1, and an allowance for credit losses that is measured, at each reporting date, at an amount equal to 12-month expected credit losses is recorded. When there is a significant increase in credit risk since initial recognition, these non-impaired financial instruments are migrated to Stage 2, and an allowance for credit losses that is measured, at each reporting date, at an amount equal to lifetime expected credit losses is recorded. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the ECL model requires reverting to Stage 1 (i.e. recognition of 12-month expected credit losses).

When one or more events that have a detrimental impact on the estimated future cash flows of a financial asset have occurred, the financial asset is considered credit-impaired and is migrated to Stage 3, and an allowance for credit losses equal to lifetime expected losses continues to be recorded or the financial asset is written off. The profit income, if any, is calculated on the gross carrying amount for financial assets in Stages 1 and 2 and on the net carrying amount for financial assets in Stage 3.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)

2 Summary of significant accounting policies (continued)

2.5 Financial assets (continued)

(iv) *Impairment (continued)*

Significant increase in credit risk

In assessing whether the credit risk on its financial instrument has increased significantly since initial recognition, the Group compares the probability of a default occurring on the financial instrument as at the reporting date with the probability of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, 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. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate.

Definition of default

The definition of default used by the Group to measure ECLs and transfer financial instruments between stages is consistent with the definition of default used for internal credit risk management purposes. The Group considers a financial asset to be credit-impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The Group considers the customer to be in default if the outstanding balance is 90 days past due.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, and all the efforts for collection of the receivables are exhausted. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

ECLs for all financial instruments are recognised in other expenses in the consolidated statement of comprehensive income. In the case of debt instruments measured at amortised cost, they are presented net of the related allowance for expected credit loss on the consolidated statement of financial position.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)

2 Summary of significant accounting policies (continued)

2.5 Financial assets (continued)

(v) *Derecognition*

Financial assets (or, where applicable, a part of a financial asset) are derecognised when:

- The rights to receive cash flows from the asset have expired;
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either:
 - The Group has transferred substantially all the risks and rewards of the asset; or
 - The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

2.6 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is based on the weighted average method and includes expenditures incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.7 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or 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 and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less the provision for impairment.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)

2 Summary of significant accounting policies (continued)

2.8 Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash in hand, current accounts with banks and bank deposits with an original maturity of less than three months, less bank overdrafts.

2.9 Bank Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the statement of financial position date.

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

2.10 Government grants

The Government of Dubai granted certain plots of land to the Corporation for use in its principal activities as set out in Note 1. The land is recorded in the books, as and when the grant is made, at the fair market value on the date of grant, carried out by an independent firm of real estate consultants. These grants are credited to deferred government grants in the consolidated statement of financial position and are recognised as income over the useful life of the plant constructed on the land. Return of land to the Government of Dubai prior to commencement of construction of the plant is adjusted against deferred government grants in the consolidated statement of financial position.

As set out in Note 1, the Corporation became an entity controlled by DEWA effective from 23 November 2009. All land plots received by the Corporation from the Government of Dubai after 23 November 2009 are accounted for as contributed capital in the consolidated statement of changes in equity as DEWA is wholly owned by the Government of Dubai.

2.11 Employees end of service benefits

An accrual is made for the estimated liability for employees' entitlements to annual leave and leave passage as a result of services rendered by the employees up to the statement of financial position date. A provision is also made, using actuarial techniques, for the end of service benefits due to employees in accordance with the UAE Labour Law for their periods of service up to the statement of financial position date. The accrual relating to annual leave and leave passage is disclosed as a current liability and included in trade and other payables, while the provision relating to end of service benefits is disclosed as a non-current liability.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)

2 Summary of significant accounting policies (continued)

2.11 Employees end of service benefits (continued)

The Group has also joined the pension scheme operated by the Federal Pension General and Society Security Authority. Accordingly, contributions for eligible UAE National employees are made and charged to the consolidated statement of comprehensive income, in accordance with the provisions of Federal Law No. 7 for 1999 relating to Pension and Society Security Law. The Group has no further payment obligation once the contribution has been made.

2.12 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and risks specific to the obligation. Increases in provisions due to the passage of time are recognised as interest expense.

2.13 Lease liabilities

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involved the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)

2 Summary of significant accounting policies (continued)

2.13 Lease liabilities (continued)

- the Group has the right to direct the use of the asset. The Group has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where all the decisions about how and for what purpose the asset is used are predetermined, the Group has the right to direct the use of the asset if either:
 - the Group has the right to operate the asset; or
 - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At the inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liabilities.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discounted rate, which is determined to be 4.01% per annum.

Lease payments included in the measurement of the lease liability comprise:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)

2 Summary of significant accounting policies (continued)

2.13 Lease liabilities (continued)

As a lessee (continued)

- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee or if the Group changes its assessment of whether it will exercise a purchase, extension or terminate option.

Lease liabilities are subsequently increased by the finance costs on the lease liabilities and decreased by lease payments made.

Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to the consolidated statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the consolidated statement of comprehensive income if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

When the Group acts as a lessor, it determines at the lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risk and rewards of ownership 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.

When assets are leased out under an operating lease, the asset is included in the consolidated statement of financial position based on the nature of the asset. Lease income is recognised over the term of the lease on a straight-line basis. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'Revenue'.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)

2 Summary of significant accounting policies (continued)

2.14 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the consolidated 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 in United Arab Emirates Dirhams ("AED"), which is the functional currency of the Corporation and its subsidiaries, and the Group's presentation currency.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

2.15 Revenue recognition

The Group recognises revenue from contracts with customers based on a five step model as 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 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 amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
- Step 5. Recognise revenue when (or as) the Group satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

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

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)

2 Summary of significant accounting policies (continued)

2.15 Revenue recognition (continued)

Revenue comprises the fair value of consideration received or receivable for the sales of goods and services in the ordinary course of the Group's activities and is shown net of discounts and allowances.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below:

(a) *District cooling services*

Demand and consumption charges revenue comprises of available capacity and variable output provided to customers and is recognized when services are provided.

Network integration charges revenue relate to integrating the Group's system with the customer's system and are recognized at the time that the network integration services are completed.

The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(b) *Pre-insulated pipes*

Revenue from the sale of pre-insulated pipes is recognised when goods are sold.

2.16 Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group's exposure to market risk arises from:

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Group does not have any significant foreign currency exposure, as majority of the transactions are denominated in AED or currencies pegged to AED.

(ii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all the instruments traded in the market. The Group has no significant exposure to price risk.

(iii) Cash flow and fair value interest rate risk

The Group is exposed to interest rate risk on its interest bearing assets and liabilities (floating rate borrowings). Borrowings at variable rates expose the Group to cash flow interest rate risk. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its consolidated statement of financial position and cash flows. Interest margins may increase as a result of such changes, but may reduce or create losses in the event that unexpected movements arise. Management monitors on a daily basis and sets limits on the level of mismatch of interest rate repricing that may be undertaken. The Group does not hedge its exposure to interest rate risk.

At 31 December 2020, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, profit for the year would have been AED 4,861 thousand (2019: AED 5,097 thousand) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

Further, at 31 December 2020, if interest rates on lease liabilities had been 1% higher/lower with all other variables held constant, profit for the year would have been lower by AED 233 thousand (2019: AED 887 thousand), mainly as a result of higher interest expense, and would have been higher by AED 252 thousand (2019: AED 951 thousand), mainly as a result of lower interest expense.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk

The Group's exposure to credit risk arises from cash equivalents and outstanding receivables from corporate and retail customers. Deposits for district cooling services are obtained from customers before the provision of any services, which are held as security in order to mitigate credit risk in case of default by customers.

For bank and financial institutions, the Group only deals with reputable local and international banks, which are considered to have a good credit rating.

	2020 AED'000	2019 AED'000
Cash at bank and short-term bank deposits		
A	26	26
A+	14	14
A1	4,556	4,816
A3	643,062	317,718
AA3	8,321	3,795
Baa1	26,500	4,855
BBB+	304,099	-
Caa1	100,118	23
	<u>1,086,696</u>	<u>331,247</u>

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the Group maintains flexibility in funding by keeping committed credit lines available.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

The table below analyses the Group's financial liabilities that will be settled into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Total	Less than 1 year	Between 1 to 5 years	More than 5 years
	AED'000	AED'000	AED'000	AED'000
At 31 December 2020				
Bank borrowings (including interest)	1,403,595	190,162	1,213,433	-
Trade and other payables (excluding deferred revenues)	1,177,883	1,177,883	-	-
Lease liabilities	20,744	6,149	6,864	7,731
Due to related parties	199,246	199,246	-	-
	<u>2,801,468</u>	<u>1,573,440</u>	<u>1,220,297</u>	<u>7,731</u>

	Total	Less than 1 year	Between 1 to 5 years	More than 5 years
	AED'000	AED'000	AED'000	AED'000
At 31 December 2019				
Bank borrowings (including interest)	477,392	83,612	310,958	82,822
Trade and other payables (excluding deferred revenues)	1,233,083	1,233,083	-	-
Lease liabilities	27,012	7,152	11,521	8,339
Due to related parties	148,141	148,141	-	-
	<u>1,885,628</u>	<u>1,471,988</u>	<u>322,479</u>	<u>91,161</u>

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

Compared to the previous year-end, there has been no material change in the contractual undiscounted cash outflows for financial liabilities during the period. There is no material impact of COVID-19 on the Group's business as detailed in Note 28 of these consolidated financial statements. Net cash generated from operating activities have increased by AED 6,957 thousand from AED 1,023 million for 2019 to AED 1,030 million for the year 2020.

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for the other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by the total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

The gearing ratios as at 31 December 2020 and 31 December 2019 were as follows:

	2020 AED'000	2019 AED'000
Total borrowings	1,322,039	420,674
Less: Cash and cash equivalents	(1,086,696)	(331,247)
Net debt	235,343	89,427
Total equity	4,792,635	4,271,904
Total capital	5,027,978	4,361,331
Gearing ratio	5%	2%

3.3 Fair value estimation

Financial instruments comprise of financial assets and financial liabilities. Financial assets consist of cash and cash equivalents, trade and other receivables and due from related parties. Financial liabilities consist of trade and other payables, bank borrowings and due to related parties. The fair values of financial instruments approximate their carrying values.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)

4 Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements 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.

(a) *Impairment of non-financial assets*

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated in order to determine the extent of impairment loss, if any. Impairment losses are charged to the statement of comprehensive income.

The impairment provisions are determined as the difference between the carrying value of these assets (before impairment charge) and the recoverable amount. The recoverable amount is determined as the higher of "value-in-use" calculations, using pre-tax cash flow projections as approved by the management or fair value less cost to sell.

No impairment charges has been recognised against non-financial assets during the year ended 31 December 2020 (2019: Nil), following management's impairment review.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)

5 Property, plant and equipment

	Land AED'000	Plant, equipment and machinery AED'000	Buildings AED'000	Furniture and fixtures AED'000	Leasehold improvements AED'000	Computer equipment AED '000	Vehicles AED'000	Capital work-in- progress AED'000	Total AED'000
Cost									
At 1 January 2019	476,782	6,216,922	70,709	14,158	10,702	37,128	5,522	486,465	7,318,388
Additions	-	27	-	795	203	1,213	573	714,042	716,853
Transfers	-	444,454	-	-	-	-	-	(444,454)	-
Impairment reversal *	-	-	-	-	-	-	-	80,294	80,294
Disposals	-	-	-	(6)	-	(574)	-	-	(580)
At 31 December 2019	476,782	6,661,403	70,709	14,947	10,905	37,767	6,095	836,347	8,114,955
Additions**	17,500	-	-	862	31	1,892	383	724,917	745,585
Transfers	-	988,954	-	-	-	-	-	(988,954)	-
Impairment reversal *	-	-	-	-	-	-	-	53,529	53,529
Disposals	-	(17,242)	-	(6)	-	(21)	(141)	-	(17,410)
At 31 December 2020	494,282	7,633,115	70,709	15,803	10,936	39,638	6,337	625,839	8,896,659
Accumulated depreciation and impairment									
At 1 January 2019	-	1,555,419	20,565	12,853	10,149	28,344	4,229	29,821	1,661,380
Charge for the year	-	247,504	2,828	1,053	322	2,730	617	-	255,054
Disposals	-	-	-	(6)	-	(574)	-	-	(580)
At 31 December 2019	-	1,802,923	23,393	13,900	10,471	30,500	4,846	29,821	1,915,854
Charge for the year	-	278,652	2,828	905	185	1,818	572	-	284,960
Disposals	-	(17,242)	-	(6)	-	(21)	(141)	-	(17,410)
At 31 December 2020	-	2,064,333	26,221	14,799	10,656	32,297	5,277	29,821	2,183,404
Net book value									
31 December 2020	494,282	5,568,782	44,488	1,004	280	7,341	1,060	596,018	6,713,255
31 December 2019	476,782	4,858,480	47,316	1,047	434	7,267	1,249	806,526	6,199,101

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)

5 Property, plant and equipment (continued)

* Prior to its acquisition by EMPOWER, PDC had impaired costs relating to projects that did not develop as anticipated. During 2017, the Group commenced services to the Jumeirah Village Project. This resulted in the reduction of impairment of pipe network costs. Accordingly, as at 31 December 2020, EMPOWER assessed the reversal of impairment corresponding to the upcoming buildings in the Jumeirah Village Project and reversed AED 53 million during 2020 (2019: AED 80 million).

** During the year, the Group received 2 plots of land from Meydan City Corporation. One of the plot has already constructed with a district cooling plant, which has been acquired during the year and another is a vacant plot. The valuation of the plant is provisionally estimated at AED 17,500,000 and accordingly booked under Land.

Depreciation expense of AED 278,652 thousand (2019: AED 247,504 thousand) has been charged to 'cost of sales' (Note 20) and AED 6,308 thousand (2019: AED 7,549 thousand) to 'general and administrative expenses' (Note 21).

Capital work-in-progress balances include costs of constructing district cooling plants and networks at various projects.

6 Right-of-use assets and lease liabilities

The Group mainly leases equipment for a period of 15 years with an extension option and a head office for a period of 1 year (since a new head office is currently under construction and is expected be completed after 1 year).

	Equipment AED'000	Buildings AED'000	Total AED'000
Cost			
At 1 January 2019	24,259	4,924	29,183
Additions	1,805	-	1,805
At 31 December 2019	26,064	4,924	30,988
Additions	1,178	-	1,178
At 31 December 2020	27,242	4,924	32,166
Depreciation			
At 1 January 2019	-	-	-
Charge for the year	4,582	2,038	6,620
At 31 December 2019	4,582	2,038	6,620
Charge for the year	4,979	2,038	7,017
At 31 December 2020	9,561	4,076	13,637
Net book amount			
31 December 2020	17,681	848	18,529
31 December 2019	21,482	2,886	24,368

Equipment represents semi-permanent plant (SPP) equipment rented from DEWA.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)

6 Right-of-use assets and lease liabilities (continued)

The Group recognised lease liabilities as follows:

	2020 AED'000	2019 AED'000
At 1 January	27,012	32,057
Additions during the year	1,178	1,804
Released during the year	(7,446)	(6,849)
At 31 December	20,744	27,012
Less: current portion	(6,149)	(7,152)
Non-current portion	14,595	19,860

Interest expense included in finance costs for 2020 was AED 1,146,000 (2019: AED 1,214,000) (Note 24).

There are no expenses relating to variable lease payments.

Expenses relating to short-term leases included in general and administrative expenses and to leases of low-value assets that are shown as short-term leases included in general and administrative expenses are as follows:

	2020 AED'000	2019 AED'000
Expense relating to short-term leases	738	637

7 Financial assets at fair value through other comprehensive income

	2020 AED'000	2019 AED'000
Financial assets at fair value through other comprehensive income	57,653	-

Financial assets at fair value through other comprehensive income pertains to an investment in Tier 1 Capital Certificates ("Bonds") issued at their par value. The Bonds are listed perpetual instruments and carry non-cumulative interest at a rate of 6% per annum payable every six months at the discretion of the issuer.

The Group has classified them as financial assets at fair value through other comprehensive income under IFRS 9 as the Bonds is not held for trading.

During the year, gains recognised in other comprehensive income amounted to AED 2,281,000

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)

8 Inventories

	2020 AED'000	2019 AED'000
Spares and consumables for district cooling services	26,809	25,361
Pre-insulated pipes	8,272	16,491
	<u>35,081</u>	<u>41,852</u>

The cost of inventories recognised as expense and included in 'cost of sales' is AED 5,191,000 (2019: AED 3,674,000).

The inventories provision for the year amounted to Nil (2019: AED 806,000).

9 Trade and other receivables

	2020 AED'000	2019 AED'000
Trade receivables	193,275	135,610
Less: Loss allowance	(48,264)	(34,441)
	<u>145,011</u>	<u>101,169</u>
<i>Other financial assets at amortised cost</i>		
Accrued revenues	19,576	20,606
Other receivables	10,278	8,122
	<u>29,854</u>	<u>28,728</u>
<i>Other assets</i>		
Advance to contractors / suppliers	116,699	129,453
Prepayments	15,037	11,390
	<u>131,736</u>	<u>140,843</u>
	<u>306,601</u>	<u>270,740</u>

As at 31 December 2020, the movement in the allowance for impairment of receivables is as follows:

	2020 AED'000	2019 AED'000
At 1 January	34,441	34,090
Increase in expected credit losses recognised in the consolidated statement of comprehensive income during the year	13,823	351
Balance at the end of the year	<u>48,264</u>	<u>34,441</u>

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)

9 Trade and other receivables (continued)

As at 31 December, the aging analysis of trade receivables is as follows:

	2020 (AED'000)		2019 (AED'000)	
	Trade receivables	Loss allowance	Trade receivables	Loss allowance
Up to 3 months	88,088	3,267	77,578	3,690
3 to 6 months	38,875	12,580	15,977	6,704
6 to 12 months	24,137	12,158	8,047	4,912
12 months and above	42,175	20,259	34,008	19,135
	<u>193,275</u>	<u>48,264</u>	<u>135,610</u>	<u>34,441</u>

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group holds security deposits of AED 340,875 thousand (2019: AED 323,218 thousand) (Note 18) as collateral against receivables. Other classes of trade and other receivables do not contain impaired assets.

10 Transactions and balances with related parties

Related parties include the shareholders, key management personnel, subsidiaries, joint venture, directors and businesses which are controlled directly or indirectly by the shareholders or directors or over which they exercise significant management influence.

	2020 AED'000	2019 AED'000
Transactions with related parties		
<i>Services rendered to entities under common control of shareholder</i>		
Dubai Properties Group	131,835	121,004
Meraas Group	64,341	-
Jumeira Group	39,927	62,378
Tecom Investment	62,389	59,929
Global Village	640	710
	<u>299,132</u>	<u>244,021</u>
<i>Services received from Shareholder</i>		
Dubai Electricity and Water Authority (DEWA)	<u>(805,585)</u>	<u>(879,495)</u>
Key management remuneration		
Board of Directors remuneration (Note 21)	<u>6,250</u>	<u>6,250</u>
Key management personnel remuneration includes end of service benefits amounting to AED 472,500 (2019: AED 472,500)	<u>12,198</u>	<u>12,166</u>

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)

10 Transactions and balances with related parties (continued)

Balances with related parties

	2020 AED'000	2019 AED'000
Due from related parties		
<i>Entities under common control of shareholder</i>		
Others	14,471	2,756
Due to related parties		
<i>Shareholders</i>		
Dubai Electricity and Water Authority (DEWA)	142,879	58,985
Tecom Investment	41,636	25,395
	<u>184,515</u>	<u>84,380</u>
<i>Entities under common control of shareholder</i>		
Dubai Properties Group	2,064	54,975
Dubai Holding LLC	3,708	3,708
	<u>5,772</u>	<u>58,683</u>
<i>Others</i>		
Board of directors	5,050	5,050
Others	3,909	28
	<u>199,246</u>	<u>148,141</u>

11 Cash and cash equivalents

	2020 AED'000	2019 AED'000
Cash at bank	210,196	156,247
Short-term bank deposits – less than 3 months	859,000	175,000
Short-term bank deposits – more than 3 months	17,500	-
	<u>1,086,696</u>	<u>331,247</u>

Bank balances are held with branches of local and international banks. Short-term bank deposits bear an effective interest rate of 1.12 % per annum (2019: 2.52% per annum).

For purposes of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	2020 AED'000	2019 AED'000
Cash and cash equivalents	1,086,696	331,247
Less: Short term deposit more than 3 months	(17,500)	-
	<u>1,069,196</u>	<u>331,247</u>

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)

12 Capital

	2020 AED'000	2019 AED'000
Authorised capital	1,000,000	1,000,000
Paid up capital	1,000,000	1,000,000

As at 31 December 2020, the authorised and paid up capital of the Corporation amounted to AED 1,000,000,000 (2019: AED 1,000,000,000), of which AED 700,000,000 (2019: AED 700,000,000) was contributed by DEWA and AED 300,000,000 (2019: AED 300,000,000) was contributed by TECOM. The capital comprises 1,000,000 shares of AED 1,000 each.

13 Statutory reserve

As required by the Decree of the Corporation and the Articles of Association of the subsidiaries, 10% of the profit for the year is required to be transferred to the statutory reserve. The Corporation and its subsidiaries may resolve to discontinue such transfers when the reserve equals 50% of the issued capital. During 2019, an amount of AED 60 million was transferred to meet the AED 500 million requirement (50% of share capital). The reserve is not available for distribution.

14 Contributed capital

In prior years, the Group received certain plots of land from the Government of Dubai, the valuation of which has been carried out by an independent firm. As disclosed in Note 2.10, the value of such land has been treated as capital contribution from the shareholders as the Corporation is an entity controlled by DEWA, which is wholly-owned by the Government of Dubai.

During the year, the Group received 2 plots of land from Meydan City Corporation. One of the plot has already constructed with a district cooling plant, which has been acquired during the year and another is a vacant plot. The valuation of the plant is provisionally estimated at AED 17,500,000 and accordingly considered as contributed capital.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)

15 Bank borrowings

	2020	2019
	AED'000	AED'000
Term loan	1,329,582	429,726
Unamortised loan cost	(7,543)	(9,052)
Total	1,322,039	420,674
Less: current portion	(167,179)	(68,277)
Non-current portion	1,154,860	352,397

The Group's borrowings are denominated in USD. Interest rates on the Group's borrowings ranged between 1.62% and 3.3% (2019: 3.2% and 4.01%). Repayment terms are 7 years from June 2019 and the borrowings are unsecured.

The maturity profile of the borrowings is as follows:

	2020	2019
	AED'000	AED'000
Within one year	167,179	68,277
After one year but not more than five years	1,154,860	273,106
More than five years	-	79,291
	1,322,039	420,674

On 13 December 2018, the Group entered into a new syndicated loan facility with ENBD as the facility agent amounting to US\$ 400m (AED 1,469m) at an interest rate of Libor+150bps margin with a 7 years repayment facility scheduled from June 2019 to December 2020.

The Group had fully drawdown the total facility of US\$ 400m (AED 1,469m) as of 31-Dec-2020 (US\$ 136m in 2019 and US\$ 264m in 2020). The scheduled repayment of US\$ 9.5m (AED 34.9m) each in June 2020 and Dec 2020 has been duly paid.

The undrawn term loan and facilities is Nil as at 31 December 2020 (2019: AED 993,728 thousand) at a floating rate linked to LIBOR plus margin. The Group has complied with the financial covenants of its borrowing facilities during the 2020 and 2019 reporting periods.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing ranges between one to six months. The fair value of current borrowings equals their carrying amount, as the impact of discounting is nullified with the floating rate interest arrangement for such borrowings.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)

16 Government grants

Government grants received prior to 23 November 2009 are recognised as income over the useful life of the plant constructed on the granted land. The current portion represents the expected release of government grant for the plants currently in operation and those which are expected to be completed during next year. The actual amount of release may vary due to delay in completion/commencement of the operations of these plants.

	2020 AED'000	2019 AED'000
At 1 January	379,230	382,010
Released during the year	(2,780)	(2,780)
At 31 December	376,450	379,230
Less: current portion	(2,780)	(2,780)
Non-current portion	373,670	376,450

17 Provision for employees' end of service benefits

In accordance with the provisions of IAS 19, management has carried out an exercise to assess the present value of its obligations as at 31 December 2020 and 2019, using the projected unit credit method, in respect of employees' end of service benefits payable under the UAE Labour Law. Under this method, an assessment has been made of the employee's expected service life with the Group and the expected basic salary at the date of leaving the service. Future salary increases have been estimated on a basis consistent with the natural progression of an employee's salary in-line with the Group's salary scales, past experience and market conditions.

	2020	2019
The principal assumptions used were as follows:		
Discount rate per year	2.21%	2.21%
Salary increase per year	5%	5%

18 Trade and other payables

	2020 AED'000	2019 AED'000
Refundable customers' security deposits (Note 9)	340,875	323,218
Deferred revenue	296,031	351,208
Project cost accruals	295,099	410,018
Project payables	148,786	103,028
Retentions payable	101,914	92,894
Other liabilities	291,209	303,925
	1,473,914	1,584,291

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)

19 Revenue

	2020 AED'000	2019 AED'000
District cooling services	2,268,649	2,182,770
Less: discounts (Note 28)	(21,479)	-
Sale of pre-insulated pipes	7,945	6,570
	<u>2,255,115</u>	<u>2,189,340</u>

20 Cost of sales

	2020 AED'000	2019 AED'000
Utilities costs	846,609	886,007
Depreciation (Note 5)	278,652	247,504
Depreciation - Right-of-use assets (Note 6)	4,979	4,582
Materials	5,191	3,674
Staff costs (Note 22)	38,355	35,450
Others	42,298	43,110
	<u>1,216,084</u>	<u>1,220,327</u>

21 General and administrative expenses

	2020 AED'000	2019 AED'000
Staff costs (Note 22)	136,073	128,115
Impairment charges on trade receivables (Note 9)	13,823	351
Depreciation (Note 5)	6,308	7,549
Directors' remuneration (Note 10)	6,250	6,250
Communication expenses	5,260	3,785
Depreciation - Right-of-use assets (Note 6)	2,038	2,038
Advertising and marketing expenses	1,580	4,019
Rent	738	637
Others	16,966	17,850
	<u>189,036</u>	<u>170,594</u>

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)

22 Staff costs

	2020 AED'000	2019 AED'000
Salaries	106,590	101,220
Staff benefits	59,015	56,597
End of service benefits (Note 17)	8,823	5,748
	<u>174,428</u>	<u>163,565</u>
Staff costs have been charged to:		
Cost of sales (Note 20)	38,355	35,450
General and administrative expenses (Note 21)	136,073	128,115
	<u>174,428</u>	<u>163,565</u>

23 Other income

	2020 AED'000	2019 AED'000
Government grant	2,780	2,780
Impairment reversal of project cost	53,529	80,294
Others	2,218	2,059
	<u>58,527</u>	<u>85,133</u>

24 Finance costs – net

	2020 AED'000	2019 AED'000
Interest income on short-term bank deposits	4,618	7,226
Interest on lease liabilities	(1,146)	(1,214)
Interest expense on bank borrowings	(10,732)	(18,553)
Finance costs, net	<u>(7,260)</u>	<u>(12,541)</u>

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)

25 Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

Amortised cost	2020 AED'000	2019 AED'000
Trade and other receivables, excluding prepayments (Note 9)	291,564	259,350
Due from related parties (Note 10)	14,471	2,756
Cash and cash equivalents (Note 11)	1,086,696	331,247
Total	1,392,731	593,353

Fair value through other comprehensive income (FVOCI)

	2020 AED'000	2019 AED'000
Financial assets at fair value through other comprehensive income	57,653	-

	2020 AED'000	2019 AED'000
Other financial liabilities at amortised cost		
Trade and other payables excluding deferred revenue (Note 18)	1,177,883	1,233,083
Due to related parties (Note 10)	199,246	148,141
Bank borrowings (Note 15)	1,322,039	420,674
Total	2,699,168	1,801,898

26 Guarantees

As at 31 December 2020, the Group had outstanding bank guarantees and letters of credits amounting to AED 621,007 (2019: AED 10,472,273), which were issued by the Group's bankers in the normal course of business.

27 Commitments

Capital commitments

As at 31 December 2020, the Group had project commitments of AED 821,729 thousand (2019: AED 716,238 thousand) for projects-in-progress. These commitments represent the value of contracts issued as at 31 December 2020 and as at 31 December 2019, net of invoices recorded and accruals made as at that date.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2020 (continued)

28 COVID-19's impact on the Group's operations

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. We have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people (such as social distancing and working from home) and securing the supply of materials that are essential to avoid disruption to our operations.

At this stage, the impact on our business and results has not been significant, and based on our experience to date, we expect this to remain the case. As we operate in the district cooling sector, being an essential service in the country, we have not found a significant impact on the demand for our services and expect this to continue.

All of the Group's plants were operational throughout the period, even during the government-imposed lockdown and there was no disruption to services provided.

Below are some of the measures that the Group has taken in order to provide relief to its customers:

- 1) A general discount of up to 10% on consumption charges and fuel surcharges provided to all customers during the period of 3 months (mid-March 2020 to mid-June 2020) amounting to AED 18,292,040, which was offset by a similar discount received in the amount of AED 11,965,333 on electricity and water costs for 3 months.
- 2) Payment plans for specific customers during the lockdown period.
- 3) Specific discounts for hotels used as COVID-19 support facilities amounting to AED 3,187,162.

We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our people.

For further information refer to note 3.1 (c).

29 Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements 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.

(a) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated in order to determine the extent of impairment loss, if any. Impairment losses are charged to the statement of comprehensive income.

The impairment provisions are determined as the difference between the carrying value of these assets (before impairment charge) and the recoverable amount. The recoverable amount is determined as the higher of "value-in-use" calculations, using pre-tax cash flow projections as approved by the management or fair value less cost to sell.

No impairment charges has been recognised against non-financial assets during the year ended 31 December 2020 (2019: Nil), following management's impairment review.

30 Subsequent events

A final dividend of AED 300 million (2019: AED 300 million) has been approved by the Board of Directors through resolution dated 19 January 2021. Dividend per share AED 300 (2019: AED 300)

Emirates Central Cooling Systems Corporation

**Consolidated financial statements
for the year ended 31 December 2021**

Emirates Central Cooling Systems Corporation

Consolidated financial statements for the year ended 31 December 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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Jacques Fakhoury, Douglas O'Mahony, Murad Alnsour and Rami Sarhan are registered as practising auditors with the UAE Ministry of Economy



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.

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.

A handwritten signature in blue ink, appearing to read 'PricewaterhouseCoopers'.

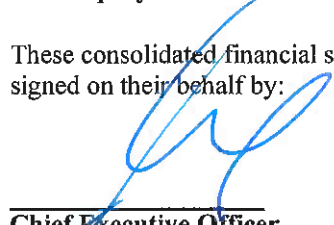
PricewaterhouseCoopers
United Arab Emirates
5 April 2022

Emirates Central Cooling Systems Corporation

Consolidated statement of financial position

		As at 31 December	
		2021	2020
	Notes	AED'000	AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	7,032,991	6,713,255
Right-of-use assets	6	13,412	18,529
Intangible assets	7	364,296	-
Financial assets at amortised cost	8	305,164	-
Financial assets at fair value through other comprehensive income	9	58,113	57,653
Investment in a joint venture		307	307
		<u>7,774,283</u>	<u>6,789,744</u>
Current assets			
Inventories	10	27,018	35,081
Trade and other receivables	11	274,498	306,601
Due from related parties	12	3,618	14,471
Financial assets at amortised cost	8	3,911	-
Financial assets at fair value through profit or loss	13	100,000	-
Term deposits	14	114,800	17,500
Cash and cash equivalents	15	1,245,588	1,069,196
		<u>1,769,433</u>	<u>1,442,849</u>
Total assets		<u><u>9,543,716</u></u>	<u><u>8,232,593</u></u>
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to owners of the parent			
Capital	16	1,000,000	1,000,000
Statutory reserve	17	500,000	500,000
Other reserves		2,741	2,281
Retained earnings		3,844,024	3,208,164
Contributed capital	18	82,190	82,190
		<u>5,428,955</u>	<u>4,792,635</u>
Non-controlling interests		1,937	2,115
Total equity		<u><u>5,430,892</u></u>	<u><u>4,794,750</u></u>
LIABILITIES			
Non-current liabilities			
Bank borrowings	19	987,666	1,154,860
Government grant	20	370,890	373,670
Provision for employees' end of service benefits	21	49,703	45,450
Retentions payable	22	35,318	63,105
Lease liabilities	6	11,939	14,595
		<u>1,455,516</u>	<u>1,651,680</u>
Current liabilities			
Trade and other payables	22	1,485,009	1,410,809
Due to related parties	12	166,287	199,246
Bank borrowings	19	1,000,219	167,179
Government grant	20	2,780	2,780
Lease liabilities	6	3,013	6,149
		<u>2,657,308</u>	<u>1,786,163</u>
Total liabilities		<u><u>4,112,824</u></u>	<u><u>3,437,843</u></u>
Total equity and liabilities		<u><u>9,543,716</u></u>	<u><u>8,232,593</u></u>

These consolidated financial statements were approved by the Board of Directors on 5 April 2022 and signed on their behalf by:


Chief Executive Officer


Chairman

The notes on pages 9 to 57 are an integral part of these consolidated financial statements.

(4)

Emirates Central Cooling Systems Corporation

Consolidated statement of comprehensive income

	Notes	Year ended 31 December	
		2021 AED'000	2020 AED'000
Revenues	23	2,463,874	2,255,115
Cost of sales	25	(1,394,449)	(1,216,084)
Impairment reversal of project cost	28	32,328	53,529
Gross profit		1,101,753	1,092,560
General and administrative expenses	26	(175,881)	(175,213)
Net impairment losses on financial assets	11	(8,568)	(13,823)
Other income	29	16,172	4,998
Operating profit		933,476	908,522
Finance income	30	11,633	4,618
Finance costs	30	(9,127)	(11,878)
Finance income / (costs) - net		2,506	(7,260)
Net profit for the year		935,982	901,262
Profit attributable to:			
Owners of the parent		935,860	900,950
Non-controlling interests		122	312
		935,982	901,262
Basic and diluted earning per share for profit attributable to the owners of the parent (AED)	36	0.935	0.900
Profit for the year		935,982	901,262
Other comprehensive income for the year	9	460	2,281
Total comprehensive income for the year		936,442	903,543
Total comprehensive income for the year attributable to:			
Owners of the parent		936,320	903,231
Non-controlling interests		122	312
		936,442	903,543

Emirates Central Cooling Systems Corporation

Consolidated statement of changes in equity

	Notes	Capital AED'000	Statutory reserve AED'000	Other reserves AED'000	Retained earnings AED'000	Contributed capital AED'000	Total equity AED'000	Non- controlling interests AED'000	Total AED'000
At 1 January 2020		1,000,000	500,000	-	2,707,214	64,690	4,271,904	1,803	4,273,707
Land contribution	18	-	-	-	-	17,500	17,500	-	17,500
Profit for the year		-	-	-	900,950	-	900,950	312	901,262
Other comprehensive income for the year	9	-	-	2,281	-	-	2,281	-	2,281
Total comprehensive income for the year		-	-	2,281	900,950	-	903,231	312	903,543
Dividends declared	2.19	-	-	-	(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
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	9	-	-	460	-	-	460	-	460
Total comprehensive income for the year		-	-	460	935,860	-	936,320	122	936,442
Dividends declared	2.19	-	-	-	(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

Emirates Central Cooling Systems Corporation

Consolidated statement of cash flows

		Year ended 31 December	
	Note	2021 AED'000	2020 AED'000
Cash flows from operating activities			
Profit for the year		935,982	901,262
Adjustments for:			
Depreciation of property, plant and equipment	5	304,965	284,960
Depreciation of right-of-use assets	6	6,187	7,017
Amortisation of intangible assets	7	400	-
Amortisation of financial assets	8	739	-
Impairment reversal of project cost	28	(32,328)	(53,529)
Amortisation of arrangement fee		1,599	1,510
Gain on disposal of property, plant and equipment		(27)	-
Net impairment losses on financial assets	11	8,568	13,823
Provision for employees' end of service benefits	21	5,523	8,823
Interest on lease liabilities	30	712	1,146
Interest income earned on financial assets at amortised cost	30	(610)	-
Finance income		(11,023)	(4,618)
Finance costs		20,063	13,362
Government grant income	20	(2,780)	(2,780)
Changes in working capital:			
Inventories		8,063	6,771
Trade and other receivables, net of write-off of receivables to CAPEX suppliers		6,022	(62,438)
Due from related parties		10,853	(11,715)
Trade and other payables, excluding project-related payables, project accruals and retention payables		37,527	(50,236)
Due to related parties, net of dividends declared		67,041	(18,895)
Cash generated from operations		1,367,476	1,034,463
Payment of employees' end of service benefits	21	(1,270)	(689)
Net cash generated from operating activities		1,366,206	1,033,774
Cash flows from investing activities			
Acquisition of subsidiary	32	(668,294)	-
Payment for property, plant and equipment, net of project accruals, retention payables to capex suppliers		(571,580)	(775,473)
Short-term deposits (more than 3 months) invested		(97,300)	(17,500)
Investment in financial assets at fair value through profit and loss		(100,000)	-
Finance income received	30	11,023	4,618
Investment in financial assets at fair value through other comprehensive income	9	-	(55,372)
Proceeds from disposal of property, plant and equipment		27	-
Net cash used in investing activities		(1,426,124)	(843,727)

Emirates Central Cooling Systems Corporation

Consolidated statement of cash flows (continued)

		Year ended 31 December	
	Note	2021	2020
		AED'000	AED'000
Cash flows from financing activities			
Proceeds from bank borrowings net of arrangement fee	19	917,294	969,645
Repayment of bank borrowings	19	(253,047)	(69,789)
Dividends paid to shareholders		(400,300)	(330,000)
Lease payment – Principal	6	(6,862)	(7,446)
Lease payment – Interest	30	(712)	(1,146)
Finance costs paid	30	(20,063)	(13,362)
Net cash generated from financing activities		236,310	547,902
Net increase in cash and cash equivalents			
		176,392	737,949
Cash and cash equivalents at the beginning of the year		1,069,196	331,247
Cash and cash equivalents at the end of the year	15	1,245,588	1,069,196

Non- cash transactions are disclosed in Note 37.

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the years presented

	Note	2021 AED'000	2020 AED'000
Cash and cash equivalents	15	1,245,588	1,069,196
Borrowings-repayable within one year	19	(1,000,219)	(167,179)
Borrowings-repayable after one year	19	(987,666)	(1,154,860)
		(742,297)	(252,843)
Lease liabilities	6	(14,952)	(20,744)
Net debt		<u>(757,249)</u>	<u>(273,587)</u>
Cash and cash equivalents	15	1,245,588	1,069,196
Lease liabilities	6	(14,952)	(20,744)
		1,230,636	1,048,452
Gross debt-fixed interest rates			
Gross debt-variable interest rates	19	(1,987,885)	(1,322,039)
		<u>(757,249)</u>	<u>(273,587)</u>

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021

1 Establishment and operations

Emirates Central Cooling Systems Corporation ("EMPOWER") ("the Corporation") was established on 23 November 2003 as a corporate entity in accordance with Article 3 of Law No. (10) "Emirates Central Cooling System Corporation Incorporation Law for the year 2003" ("the Decree") and commenced commercial operations on 15 February 2004. The Corporation was established as a joint venture between Dubai Electricity and Water Authority ("DEWA"), which is ultimately owned by the Government of Dubai, and the Dubai Development Authority (formerly known as Dubai Creative Clusters Authority) ("the authority"). However, the beneficial interest of the authority was transferred to Tecom Investments FZ-LLC ("TECOM") effective from inception. The ultimate majority shareholder of TECOM is His Highness Mohammed Bin Rashid Al Maktoum.

On 23 November 2009, a letter was issued by the Ruler's Court allowing DEWA to increase its shareholding to 70% in the Corporation and to dilute TECOM's interest to 30%. This change in the shareholding structure has been formalised through Decree No. 3 of 2010 issued by the Ruler's Court.

The principal activities of the Corporation are the provision of district cooling services and management, operation and maintenance of central cooling plants and related distribution networks. The principal office of the Corporation is P.O. Box 8081, Al Hudaiba Awards Building, Dubai, United Arab Emirates.

These consolidated financial statements relate to the Corporation and its subsidiaries (jointly referred to as "the Group").

The Corporation has the following subsidiaries:

Subsidiary	Principal activities	Beneficial holding	
		2021	2020
Empower Logstor LLC ("ELIPS")	Manufacturing of pre-insulated pipes, mainly for district cooling	97.0%	97.0%
Palm District Cooling LLC	Establish and operate district cooling projects and provide air-conditioning, ventilation and refrigeration services	99.9%	99.9%
Palm Utilities LLC	Establish and operate district cooling projects and provide air-conditioning, ventilation and refrigeration services	99.5%	99.5%
Empower FM LLC	Air-conditioning, ventilation, and air filtration systems installation and maintenance	100%	100%
Empower Engineering & Consultancy LLC	Project development consultant	100%	100%
Empower Snow LLC	Establish and operate district cooling projects and provide air-conditioning, ventilation and refrigeration services	100%	-

ELIPS was established during the year 2007 with the Corporation having a 51% shareholding and Logstor Holding, Denmark having a 49% shareholding. During 2012, the Corporation increased its shareholding to 97% in ELIPS and diluted Logstor Holding, Denmark's interest to 3%.

During 2013, EMPOWER acquired a 99.5% interest in Palm Utilities LLC ("PU") and a 99.9% interest in its subsidiary Palm District Cooling LLC ("PDC").

During 2020, the Corporation established two subsidiaries, namely Empower FM LLC and Empower Engineering & Consultancy LLC with a 100% shareholding in each. The principal activities of Empower FM LLC and Empower Engineering & Consultancy LLC are shown in the table above.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

1 Establishment and operations (continued)

During the year 2021, the Group acquired 100% interest in Empower Snow LLC, a company providing District Cooling Services for various projects developed and owned by the Master Developer Nakheel PJSC for a purchase consideration of AED 673,900,000.

2 Summary of significant accounting policies

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

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

(a) *New and amended standards adopted by the Group during the year*

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2021, have been adopted in these consolidated financial statements.

- Interest Rate Benchmark Reform – Phase 2 – amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

In August 2020, the IASB issued Interest Rate Benchmark Reform - Phase 2, which amends IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. The amendments complement those issued in September 2019 (endorsed in January 2020) and focus on the effects on financial statements when a Company replaces a previous interest rate benchmark with an alternative benchmark rate as a result of Interbank Offered Rates (IBOR) reform. The Phase 2 amendments are effective for the Group's fiscal year commencing 1 January 2021, and were adopted as of that date. Comparative amounts have not been restated, and there was no impact on the current period opening reserves amounts on adoption.

As of 31 December 2021, applicable interest rate benchmarks in the Group's agreements have not been replaced. As a result, the adoption of the Phase 2 amendments had no impact on the consolidated financial statements for the year ended 31 December 2021. Management will continue to monitor relevant developments and will evaluate the impact of the Phase 2 amendments on the consolidated financial statements as IBOR reform progresses.

The Group has borrowings that are exposed to USD LIBOR. Many of the existing borrowings referencing LIBOR benchmarks are expected to transition to alternative benchmark in different ways and at different times. External progress on the transition to alternative benchmark is being monitored, with the objective of ensuring a smooth transition for the Group's borrowing agreements. The specific issues arising will vary with the details of each borrowing included in the designation. Some borrowings may need to be de-designated and new agreements entered into, while others may survive the market-wide benchmark reform.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

(a) New and amended standards adopted by the Group during the year (continued)

- Interest Rate Benchmark Reform – Phase 2 – amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (continued)

The amounts of borrowings represent the extent of the risk exposure managed by the Group that is expected to be directly affected by market-wide IBOR reform and in scope of Phase 1 and Phase 2 amendments.

The following table contains details of all of the financial instruments that Group holds as at 31 December 2021 which reference USD LIBOR and have not yet transitioned to an alternative interest rate benchmark:

	Of which	
	Carrying value at 31 December 2021	Have yet to transition to an alternative benchmark interest rate as at 31 December 2021:
	Liabilities	
	AED'000	AED'000
<i>Liabilities exposed to USD LIBOR</i>		
<i>Measured at amortised cost</i>		
Bank borrowings	1,987,885	1,987,885

(b) New standards, amendments and interpretations not yet adopted by the Group

The Group has not early adopted new and revised IFRS that have been issued but are not yet effective.

- Classification of Liabilities as Current or Non-current – Amendments to IAS 1 - (effective 1 January 2022) The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (eg the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability;
- Reference to the Conceptual Framework – Amendments to IFRS 3 (effective 1 January 2022) Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date;

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

2 Summary of significant accounting policies (continued)

(b) *New standards, amendments and interpretations not yet adopted by the Group (continued)*

- Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28 - The IASB has made limited scope amendments to IFRS 10 Consolidated financial statements and IAS 28 Investments in associates and joint ventures. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a ‘business’ (as defined in IFRS 3 Business Combinations); and
- Amendment to IAS 16 (effective 1 January 2022) The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is ‘testing whether the asset is functioning properly’ when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

The Group is currently assessing the impact of these standards, and amendments on the future consolidated financial statements of the Group and intends to adopt these, if applicable, when they become effective.

2.2 Consolidation

(a) *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group.

The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest’s proportionate share of the recognised amounts of acquiree’s identifiable net assets.

Acquisition-related costs are expensed as incurred. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer’s previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

2 Summary of significant accounting policies (continued)

2.2 Consolidation (continued)

(a) *Subsidiaries* (continued)

Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity. Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(b) *Disposal of subsidiaries*

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is 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 recognised 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 recognised in other comprehensive income are reclassified to profit or loss.

(c) *Joint arrangements*

The Group applies IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligation's of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3 Property, plant, and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial year in which they are incurred.

Land is not depreciated. Depreciation on other assets is computed, using the straight-line method, at rates calculated to reduce the cost of assets to their estimated residual values over their expected useful lives as follows:

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

2 Summary of significant accounting policies (continued)

2.3 Property, plant, and equipment (continued)

	Years
Plant, equipment and machinery	2 to 30
Buildings	25
Furniture and fixtures	3 to 5
Leasehold improvements	3 to 4
Computer equipment	3
Vehicles	3 to 5

The asset's residual values and useful lives are reviewed and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognized within profit and loss in the consolidated statement of comprehensive income.

Capital work in progress is stated at cost. When commissioned, capital work in progress is transferred to property, plant and equipment and depreciated in accordance with the Group's policies.

2.4 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 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. 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 recognised 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 recognised 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 recognised. 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 recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

2 Summary of significant accounting policies (continued)

2.5 Financial assets

(i) Classification

The Group classifies its financial assets as at amortised cost, fair value through profit and loss and fair value through other comprehensive income. The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows except for financial assets which are considered as equity instrument.

Business model: The business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at Fair Value through Profit or Loss ("FVTPL"). Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

Solely Payments of Principal and Profit ("SPPI"): Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether financial instruments' cash flows represent SPPI.

In making this assessment, the Group considers whether contractual cash flows present a nature consistent with a basic lending arrangement (i.e. profit includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with basic lending arrangement).

The Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the year.

Classification of financial assets at amortised cost

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- The asset is held within a business model whose objective is to collect the contractual cash flows; and
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVTOCI) comprise of equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

2 Summary of significant accounting policies (continued)

2.5 Financial assets (continued)

(i) Classification (continued)

Classification of financial assets at fair value through profit and loss

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. However, the Group may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

The financial assets of the Group are as follows:

	Carrying amount	
	2021 AED '000	2020 AED '000
Trade and other receivables (Note 11)	274,498	306,601
Financial assets at fair value through profit and loss (Note 13)	100,000	-
Term deposits (Note 14)	114,800	17,500
Cash and bank balances (Note 15)	1,245,588	1,069,196
Due from related parties (Note 12)	3,618	14,471
Financial assets at amortised cost (Note 8)	309,075	-
Financial assets at fair value through other comprehensive income (Note 9)	58,113	57,653

(ii) Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset, including trade receivables, at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the consolidated statement of comprehensive income. Immediately after initial recognition, an expected credit loss (ECL) allowance is recognised for financial assets measured at amortised cost and at fair value through other comprehensive income (FVTOCI), which results in accounting loss being recognised in profit or loss when an asset is newly originated. When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the Group recognises the difference as follows:

a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

2 Summary of significant accounting policies (continued)

2.5 Financial assets (continued)

(ii) Initial recognition and measurement (continued)

- (b) In all other cases, the difference is deferred and the time of recognition of deferred day one profit or loss is determined individually. It is either amortised over life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

(iii) Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- *Amortised cost* Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and profit are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Profit income from these financial assets, if any, is included in finance income using the effective profit rate method.
- *Fair value through other comprehensive income (FVTOCI)*: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and profit, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, profit income, if any and foreign exchange gains and losses which are recognised in profit and loss.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Profit income, if any, from these financial assets is included in finance income using the effective profit rate method.

- *Fair value through profit or loss (FVTPL)*: Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in the statement of comprehensive income and presented net in the statement of comprehensive income within other gains/(losses) in the year in which it arises. Profit income, if any, from these financial assets is recognised in profit and loss.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in the statement of comprehensive income as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other income/(losses) in the consolidated statement of comprehensive income, as applicable.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

2 Summary of significant accounting policies (continued)

2.5 Financial assets (continued)

(iii) Subsequent measurement (continued)

Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk and is computed 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.

As trade receivables held by the Group have short credit period (i.e. tenor less than or equal to 12 months and does not comprise significant financing component), the Group applies simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised for receivables.

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.

For financial assets at amortised cost, at the end of each year the Group applies a three stage impairment approach to measure the expected credit losses (ECL).

The ECL three stage impairment is based on the change in the credit quality of financial assets since initial recognition. If, at the reporting date, the credit risk of non-impaired financial instruments has not increased significantly since initial recognition, these financial instruments are classified in Stage 1, and an allowance for credit losses that is measured, at each reporting date, at an amount equal to 12-month expected credit losses is recorded. When there is a significant increase in credit risk since initial recognition, these non-impaired financial instruments are migrated to Stage 2, and an allowance for credit losses that is measured, at each reporting date, at an amount equal to lifetime expected credit losses is recorded. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the ECL model requires reverting to Stage 1 (i.e. recognition of 12-month expected credit losses).

When one or more events that have a detrimental impact on the estimated future cash flows of a financial asset have occurred, the financial asset is considered credit-impaired and is migrated to Stage 3, and an allowance for credit losses equal to lifetime expected losses continues to be recorded or the financial asset is written off. The profit income, if any, is calculated on the gross carrying amount for financial assets in Stages 1 and 2 and on the net carrying amount for financial assets in Stage 3.

Significant increase in credit risk

In assessing whether the credit risk on its financial instrument has increased significantly since initial recognition, the Group compares the probability of a default occurring on the financial instrument as at the reporting date with the probability of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, 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. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

2 Summary of significant accounting policies (continued)

2.5 Financial assets (continued)

(iii) Subsequent measurement (continued)

Significant increase in credit risk (continued)

In assessing whether the credit risk on its financial instrument has increased significantly since initial recognition, the Group compares the probability of a default occurring on the financial instrument as at the reporting date with the probability of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, 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. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate. The Group's ECL model continues to be sensitive to macroeconomic variables and the Group continues to reassess its position.

Definition of default

The definition of default used by the Group to measure ECLs and transfer financial instruments between stages is consistent with the definition of default used for internal credit risk management purposes. The Group considers a financial asset to be credit-impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The Group considers the customer to be in default if the outstanding balance is 90 days past due.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, and all the efforts for collection of the receivables are exhausted. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

ECLs for all financial instruments are recognised in the consolidated statement of comprehensive income as a separate line item. In the case of debt instruments measured at amortised cost, they are presented net of the related allowance for expected credit loss on the consolidated statement of financial position.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

2 Summary of significant accounting policies (continued)

2.5 Financial assets (continued)

(iv) Derecognition

Financial assets (or, where applicable, a part of a financial asset) are derecognised when:

- The rights to receive cash flows from the asset have expired;
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either:
 - The Group has transferred substantially all the risks and rewards of the asset; or
 - The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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 recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liability simultaneously.

2.6 Intangible assets

Rights to charge users

Right to charge users acquired are recognized at fair value at acquisition date. They have a finite useful life of 30 years and are subsequently carried at cost less accumulated amortization and impairment losses.

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is based on the weighted average method and includes expenditures incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.8 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or 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 and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less the provision for impairment.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

2 Summary of significant accounting policies (continued)

2.9 Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash in hand, current accounts with banks and bank deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risks of changes in value.

2.10 Bank Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the statement of financial position date.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed.

2.11 Government grants

The Government of Dubai granted certain plots of land to the Corporation for use in its principal activities as set out in Note 1. The land is recorded in the books, as and when the grant is made, at the fair market value on the date of grant, carried out by an independent firm of real estate consultants. These grants are credited to deferred government grants in the consolidated statement of financial position and are recognised as income over the useful life of the plant constructed on the land. Return of land to the Government of Dubai prior to commencement of construction of the plant is adjusted against deferred government grants in the consolidated statement of financial position.

As set out in Note 1, the Corporation became an entity controlled by DEWA effective from 23 November 2009. All land plots received by the Corporation from the Government of Dubai after 23 November 2009 are accounted for as contributed capital in the consolidated statement of changes in equity as DEWA is wholly owned by the Government of Dubai.

2.12 Employees end of service benefits

An accrual is made for the estimated liability for employees' entitlements to annual leave and leave passage as a result of services rendered by the employees up to the statement of financial position date. A provision is also made, using actuarial techniques, for the end of service benefits due to employees in accordance with the UAE Labour Law for their periods of service up to the statement of financial position date. The accrual relating to annual leave and leave passage is disclosed as a current liability

and included in trade and other payables, while the provision relating to end of service benefits is disclosed as a non-current liability.

The Group has also joined the pension scheme operated by the Federal Pension General and Society Security Authority. Accordingly, contributions for eligible UAE National employees are made and charged to the consolidated statement of comprehensive income, in accordance with the provisions of Federal Law No. 7 for 1999 relating to Pension and Society Security Law. The Group has no further payment obligation once the contribution has been made.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

2 Summary of significant accounting policies (continued)

2.13 Trade payables and provisions

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and risks specific to the obligation. Increases in provisions due to the passage of time are recognised as interest expense.

Security deposits from customers are received as collateral against their dues for the charges levied for district cooling services provided. These are payable immediately on the termination of services or closure of the customer account on final settlement. Accordingly, it has been considered as current liability and part of the Trade and other payables.

2.14 Leases

The Group's leasing activities includes lease of equipment and building lease for period of 15 years and 3 years respectively. At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involved the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where all the decisions about how and for what purpose the asset is used are predetermined, the Group has the right to direct the use of the asset if either:
 - the Group has the right to operate the asset; or
 - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At the inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

2 Summary of significant accounting policies (continued)

2.14 Leases (continued)

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liabilities.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discounted rate, which is determined to be 4.01% per annum.

Lease payments included in the measurement of the lease liability comprise:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee or if the Group changes its assessment of whether it will exercise a purchase, extension or terminate option.

Lease liabilities are subsequently increased by the finance costs on the lease liabilities and decreased by lease payments made.

Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to the consolidated statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the consolidated statement of comprehensive income if the carrying amount of the right-of-use asset has been reduced to zero.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

2 Summary of significant accounting policies (continued)

2.14 Leases (continued)

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

When the Group acts as a lessor, it determines at the lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risk and rewards of ownership 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.

When assets are leased out under an operating lease, the asset is included in the consolidated statement of financial position based on the nature of the asset. Lease income is recognised over the term of the lease on a straight-line basis. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'Revenue'.

2.15 Foreign currency translation

(a) Functional and presentation currency

Items included in the consolidated 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 in United Arab Emirates Dirhams ("AED"), which is the functional currency of the Corporation and its subsidiaries, and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

2 Summary of significant accounting policies (continued)

2.16 Revenue recognition

The Group recognises revenue from contracts with customers based on a five step model as 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 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 amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
- Step 5. Recognise revenue when (or as) the Group satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

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

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue comprises the fair value of consideration received or receivable for the sales of goods and services in the ordinary course of the Group's activities and is shown net of discounts and allowances.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below:

(a) District cooling services

Demand and consumption charges revenue comprises of available capacity and variable output provided to customers and is recognized when services are provided.

Energy transfer station (ETS) service charges relates to services provided for ETS at customer's building and are recognized at the time services are rendered.

Connection charges revenue relates to connecting the individual customer units and is recognized over the period of providing district cooling services.

Other revenue comprises services that are recognized as and when services are rendered.

(b) Pre-insulated pipes

Revenue from the sale of pre-insulated pipes is recognised when goods are sold.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

2 Summary of significant accounting policies (continued)

2.17 Interest income

Interest income on financial assets at amortised cost and financial assets at FVTOCI is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of loss allowance). Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Interest income from financial assets at FVTPL is included in the net fair value gains/(losses) on these assets.

2.18 Share Capital

Ordinary shares are classified as equity.

2.19 Dividends

The Group recognises a liability to make cash distributions to owners of the parent when the distribution is authorised. As per the laws and regulation applicable in UAE, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

During the year a final dividend of AED 300,000,000 (AED 0.3 per share) in respect of the year ended 31 December 2020, was declared and approved on 19 January 2021 by the Board of Directors of the Group (2020: A final dividend of AED 300,000,000 (AED 0.3 per share), in respect of the year ended 31 December 2019 was declared and approved on 2 January 2020 by the Board of Directors of the Group).

During the year an interim dividend of AED Nil (2020: An interim dividend of AED 100,000,000 (AED 0.1 per share), in respect of the year ended 31 December 2020 was declared and approved on 20 December 2020 by the Board of Directors of the Group).

2.20 Earnings per share

The Group presents basic earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit/(loss) attributable to the ordinary shareholders of the Group by the weighted average numbers of ordinary shares outstanding during the year. Diluted EPS is calculated by adjusting the weighted average number of equity shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group does not have any dilutive potential ordinary shares

2.21 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks including the effects of changes in market risk (including foreign exchange risk, price risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the management under policies approved by the Board of Directors.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(a) *Market risk*

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include bank borrowings, term deposits, financial assets at fair value through other comprehensive income, financial assets at fair value through profit and loss and lease liabilities.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group's exposure to market risk arises from:

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Group does not have any significant foreign currency exposure, as majority of the transactions are denominated in AED or currencies pegged to AED.

(ii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all the instruments traded in the market.

The group's exposure to equity securities price risk arises from investments held by the group and classified in the balance sheet either as at fair value through other comprehensive income (FVTOCI) or at fair value through profit or loss (FVTPL). To manage its price risk arising from investments in equity securities, the group diversifies its portfolio.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Price risk (continued)

Diversification of the portfolio is done in accordance with the limits set by the group.

The Group's investment in FVTOCI is publicly traded in Dubai financial market (DFM). The Group has no significant exposure to price risk on FVTPL as it is based on fixed price index.

Sensitivity

The table below summarises the impact of increases/decreases of the DFM index on the group's post-tax profit for the period. The analysis is based on the assumption that the equity index had increased by 1% or decreased by 1%, with all other variables held constant, and that all of the group's equity instruments moved in line with the index.

	2021 AED'000	2020 AED'000
Dubai financial market index-increase 1%	578	574
Dubai financial market index -decrease 1%	(578)	(574)

Amounts recognised in profit or loss and other comprehensive income

The amounts recognised in profit or loss and other comprehensive income in relation to the various investments held by the group are disclosed in note .

(iii) Cash flow and fair value interest rate risk

The Group is exposed to interest rate risk on its interest bearing assets and liabilities (borrowings and lease liabilities). The Group's main interest rate risk arises from borrowings with variable rates as all borrowings of the Group are variable which expose the Group to cash flow interest rate risk. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its consolidated statement of financial position and cash flows. Interest margins may increase as a result of such changes, but may reduce or create losses in the event that unexpected movements arise. Management monitors on a daily basis and sets limits on the level of mismatch of interest rate repricing that may be undertaken. The Group does not hedge its exposure to interest rate risk.

At 31 December 2021, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, profit for the year would have been AED 4,666 thousand (2020: AED 4,861 thousand) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

The exposure of the Group's borrowing to interest rate changes and the contractual re-pricing dates of the interest rate borrowings at the end of the reporting period are as follows:

	2021 AED'000	2020 AED'000
<i>Interest rate – re-pricing dates:</i>		
3 months or less	1,987,885	1,322,039

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risk (continued)

Further, at 31 December 2021, if interest rates on lease liability had been 1% higher/lower with all other variables held constant, post-tax profit for the year ended 31 December 2021 would have been lower by AED 144 thousands (2020: AED 233 thousands) mainly as a result of higher interest expense and would have been higher by AED 156 thousands (2020: AED 252 thousands) mainly as a result of lower interest expense.

(b) Credit risk

The Group has seven types of financial assets which are exposed to credit risk:

- cash at bank and short term bank deposits
- trade receivables
- due from related parties
- financial assets at amortised cost
- financial assets at fair value through other comprehensive income (FVTOCI)
- financial assets at fair value through profit or loss (FVTPL)
- all other financial assets

Deposits for district cooling services are obtained from customers before the provision of any services, which are held as security in order to mitigate credit risk in case of default by customers.

Risk management

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a good rating are accepted.

For trade receivables and due from related parties, if customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by the legal department.

The group's investments in equity instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

Impairment of financial assets:

Financial assets at amortised cost

The Group recognized a financial asset during the year through the acquisition of Empower Snow LLC from Nakheel, a related party. The financial asset arose from the minimum demand load commitment by Nakheel in the Master Concession Agreement signed. The following table discloses the changes in the credit loss allowance and gross carrying amount for the financial asset between the beginning and the end of the reporting period:

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Impairment of financial assets (continued)

Financial assets at amortised cost (continued)

Item	Amount in AED'000					
	Credit loss allowance			Gross carrying value		
	Stage 1 (12 months ECL)	Stage 2 (Lifetime ECL for SICR)	Stage 3 (Lifetime ECL for credit impaired)	Stage 1 (12 months ECL)	Stage 2 (Lifetime ECL for SICR)	Stage 3 (Lifetime ECL for credit impaired)
Financial asset at amortised cost						
At 1 January 2021	-	-	-	-	-	-
Movements with impact on credit loss allowance charge for the year						
New originated or purchased	-	-	-	309,204	-	-
Total impact with impact on credit loss charge during the year	-	-	-	309,204	-	-
Repayment during the year	-	-	-	(739)	-	-
Unwinding of interest income during the year	-	-	-	610	-	-
As 31 December 2021	-	-	-	309,075	-	-

Credit risk grading

For measuring credit risk and grading financial instruments by the amount of credit risk, the Group applies an Internal Risk-Based rating system. Internal credit ratings are mapped on an internally defined master scale with a specified range of historical loss rate as disclosed in the table below:

Grade	Risk rating	Definition
Grade 1	1-12	Low risk
Grade 2	13-17	Satisfactory risk
Grade 3	18-20	High risk
Grade 4	21-25	Watch list
Grade 5	50,60,70,80	Impaired

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk

Impairment of financial assets (continued)

Financial assets at amortised cost (continued)

The Group considers the credit quality of the balance to be low risk due to Nakheel being a Government entity. While the balance is subject to impairment requirement the identified impairment loss was immaterial.

Trade receivables

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables and unearned revenues have been grouped based on shared risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2021 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. The expected credit loss on trade receivables is disclosed in Note 11.

Cash at bank and short-term bank deposits

	2021 AED'000	2020 AED'000
A	25	26
A+	13	14
B3	50,665	-
Ba1	607,676	-
Ba2	550,288	-
Baa1	16,867	-
Baa2	5,912	-
Baa3	6,606	-
A1	-	4,556
A3	-	643,062
AA3	-	8,321
Baa1	-	9,000
BBB+	7,536	304,099
Caal`	-	100,118
	<u>1,245,588</u>	<u>1,069,196</u>

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. No impairment provision was required on cash and cash equivalents as credit risk was considered minimal.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Impairment of financial assets (continued)

Financial assets at fair value through profit and loss and fair value through other comprehensive income

Financial assets at FVTPL cost and FVTOCI are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months' expected losses. Management consider low credit risk for the following investments as they are held with reputable institutions.

All other financial assets

For all other financial assets, the Group recognises expected credit loss when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 months ECL. The assessment of whether ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of an evidence of a financial asset being credit-impaired at the end of the reporting period or an actual default. No impairment provision was required on other financial assets as credit risk was considered minimal.

Due from related parties

While due from related parties are also subject to the impairment requirement of IFRS 9, the identified impairment loss was immaterial.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. Cash flow forecasting is performed by the management which monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance and compliance with internal ratio targets.

The table below summarises the Group's financial liabilities into the relevant maturity groupings based on the remaining contractual maturity period at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying amounts, as the ultimate amounts to be realised is not significantly different from the carrying amounts.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

	Total AED'000	Less than 1 year AED'000	Between 1 to 5 years AED'000	More than 5 years AED'000
At 31 December 2021				
Bank borrowings (including interest)	2,047,967	1,022,808	1,025,159	-
Trade and other payables (excluding deferred revenues)	1,184,771	1,184,771	-	-
Lease liabilities (Note 6)	14,952	3,013	5,383	6,556
Due to related parties (Note 12)	166,287	166,287	-	-
	3,413,977	2,376,879	1,030,542	6,556
	Total AED'000	Less than 1 year AED'000	Between 1 to 5 years AED'000	More than 5 years AED'000
At 31 December 2020				
Bank borrowings (including interest)	1,403,595	190,162	1,213,433	-
Trade and other payables (excluding deferred revenues)	1,177,883	1,177,883	-	-
Lease liabilities (Note 6)	20,744	6,149	6,864	7,731
Due to related parties (Note 12)	199,246	199,246	-	-
	2,801,468	1,573,440	1,220,297	7,731

Compared to the previous year-end, there has been no material change in the contractual undiscounted cash outflows for financial liabilities during the period. There is no material impact of COVID-19 on the Group's business as detailed in Note 33 of these consolidated financial statements. Net cash generated from operating activities have increased by AED 332 million from AED 1,034 million for 2020 to AED 1,366 thousand for the year 2021.

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for the other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by the total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

3 Financial risk management (continued)

3.2 Capital risk management

The gearing ratios as at 31 December 2021 and 31 December 2020 were as follows:

	2021 AED'000	2020 AED'000
Total borrowings (Note 19)	1,987,885	1,322,039
Less: Cash and cash equivalents (Note 15)	(1,245,588)	(1,069,196)
Net debt	742,297	252,843
Total equity	5,428,955	4,792,635
Total capital	6,171,252	5,045,478
Gearing ratio	12.03%	5.01%

The Group manages the risk by closely monitoring the gearing ratio and by restricting the dividend payout if required.

3.3 Fair value estimation

As at 31 December 2021 and 2020, the fair values of the Group's financial instruments are estimated to approximate their carrying values since the financial instruments are short term in nature, carry interest rates which are based on prevailing market interest rates and are expected to be realized at their current carrying values within twelve months from the date of the consolidated statement of financial position. The fair values of the non-current financial liabilities are estimated to approximate their carrying values as these carry interest rates which are based on prevailing market interest rates.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

4 Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements 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.

(a) *Impairment of non-financial assets*

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated in order to determine the extent of impairment loss, if any. Impairment losses are charged to the statement of comprehensive income.

The impairment provisions are determined as the difference between the carrying value of these assets (before impairment charge) and the recoverable amount. The recoverable amount is determined as the higher of "value-in-use" calculations, using pre-tax cash flow projections as approved by the management or fair value less cost to sell.

No impairment charges has been recognised against non-financial assets during the year ended 31 December 2021 (2020: Nil), following management's impairment review.

(b) *Useful lives of property, plant and equipment*

The Group determines the estimated useful lives of its property, plant and equipment for calculating depreciation / amortisation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. The Group reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the Group believes the useful lives differ from previous estimates.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

5 Property, plant and equipment

	Land AED'000	Plant, equipment and machinery AED'000	Buildings AED'000	Furniture and fixtures AED'000	Leasehold improvements AED'000	Computer equipment AED '000	Vehicles AED'000	Capital work-in- progress AED'000	Total AED'000
Cost									
At 1 January 2020	476,782	6,661,403	70,709	14,947	10,905	37,767	6,095	922,204	8,200,812
Additions**	17,500	-	-	862	31	1,892	383	724,917	745,585
Transfers	-	988,954	-	-	-	-	-	(988,954)	-
Disposals	-	(17,242)	-	(6)	-	(21)	(141)	-	(17,410)
At 31 December 2020	494,282	7,633,115	70,709	15,803	10,936	39,638	6,337	658,167	8,928,987
Additions**	-	-	(672)	975	554	1,265	730	589,521	592,373
Transfers	-	404,947	-	-	-	-	-	(404,947)	-
Disposals	-	(5,095)	-	(2)	-	(1)	(153)	-	(5,251)
At 31 December 2021	494,282	8,032,967	70,037	16,776	11,490	40,902	6,914	842,741	9,516,109
Accumulated depreciation and impairment									
At 1 January 2020	-	1,802,923	23,393	13,900	10,471	30,500	4,846	115,678	2,001,711
Charge for the year	-	278,652	2,828	905	185	1,818	572	-	284,960
Impairment reversal *	-	-	-	-	-	-	-	(53,529)	(53,529)
Disposals	-	(17,242)	-	(6)	-	(21)	(141)	-	(17,410)
At 31 December 2020	-	2,064,333	26,221	14,799	10,656	32,297	5,277	62,149	2,215,732
Charge for the year	-	299,021	2,791	928	165	1,535	525	-	304,965
Impairment reversal *	-	-	-	-	-	-	-	(32,328)	(32,328)
Disposals	-	(5,095)	-	(2)	-	(1)	(153)	-	(5,251)
At 31 December 2021	-	2,358,259	29,012	15,725	10,821	33,831	5,649	29,821	2,483,118
Net book value									
31 December 2021	494,282	5,674,708	41,025	1,051	669	7,071	1,265	812,920	7,032,991
31 December 2020	494,282	5,568,782	44,488	1,004	280	7,341	1,060	596,018	6,713,255

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

5 Property, plant and equipment (continued)

* In prior years, management had recognised an impairment loss relating to cost incurred on shoring and enabling works for two projects (Mirdiff plant and Head office building) that did not develop as anticipated and recognized an impairment loss of AED 41 million. Management has resumed construction of these projects and performed an assessment to determine the recoverable amount of the following assets. The assessment was performed by the engineering department after analyzing the work that can be utilized and will not have to be undertaken again. This was further supported by value-in-use calculation which required the use of assumptions. The calculations use cash flow projections based on financial budgets and a discount rate of 4%. Accordingly, Group has reversed impairment amounted to AED 32 million (2020: AED 53 million).

** During the year 2020, the Group received 2 plots of land from Meydan City Corporation. One of the plot has already constructed with a district cooling plant, which has been acquired during the year and another is a vacant plot (Note 18).

Depreciation expense of AED 299,021 thousand (2020: AED 278,652 thousand) has been charged to 'cost of sales' (Note 25) and AED 5,944 thousand (2020: AED 6,308 thousand) to 'general and administrative expenses' (Note 26).

Capital work-in-progress balances include costs of constructing district cooling plants and networks at various projects.

6 Right-of-use assets and lease liabilities

The Group mainly leases equipment for a period of 15 years with an extension option and a head office for a period of 1 year (since a new head office is currently under construction and is expected be completed after 1 year).

	Equipment AED'000	Buildings AED'000	Total AED'000
Cost			
At 1 January 2020	26,064	4,924	30,988
Additions	1,178	-	1,178
At 31 December 2020	27,242	4,924	32,166
Additions	-	1,070	1,070
At 31 December 2021	27,242	5,994	33,236
Accumulated depreciation			
At 1 January 2020	4,582	2,038	6,620
Charge for the year	4,979	2,038	7,017
At 31 December 2020	9,561	4,076	13,637
Charge for the year	4,625	1,562	6,187
At 31 December 2021	14,186	5,638	19,824
Net book amount			
31 December 2021	13,056	356	13,412
31 December 2020	17,681	848	18,529

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

6 Right-of-use assets and lease liabilities (continued)

Equipment represents semi-permanent plant (SPP) equipment rented from DEWA. The Group recognised lease liabilities as follows:

	2021 AED'000	2020 AED'000
At 1 January	20,744	27,012
Additions during the year	1,070	1,178
Paid during the year	(6,862)	(7,446)
At 31 December	14,952	20,744
Less: current portion	(3,013)	(6,149)
Non-current portion	11,939	14,595

Interest expense included in finance costs for 2021 was AED 712,000 (2020: AED 1,146,000) (Note 30). There are no expenses relating to variable lease payments. Total cash outflows for leases including finance cost during the year was AED 7,574,000 (2020 : AED 8,592,000).

Expenses relating to short-term leases included in general and administrative expenses and to leases of low-value assets that are shown as short-term leases included in general and administrative expenses are as follows:

	2021 AED'000	2020 AED'000
Expense relating to short-term leases (Note 26)	498	738

7 Intangible assets

	2021 AED'000	2020 AED'000
At 1 January	-	-
Additions during the year (Note 31)	364,696	-
Amortised during the year	(400)	-
At 31 December	364,296	-

8 Financial assets at amortised cost

	2021 AED'000	2020 AED'000
At 1 January	-	-
Additions during the year (Note 32)	309,204	-
Interest earned during the year	610	-
Payments during the year	(739)	-
At 31 December	309,075	-
Less: current portion	(3,911)	-
Non-current portion	305,164	-

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

9 Financial assets at fair value through other comprehensive income (FVTOCI)

	2021 AED'000	2020 AED'000
Financial assets at fair value through other comprehensive income	<u>58,113</u>	<u>57,653</u>

During the year, the following gains were recognised in profit or loss and other comprehensive income:

	2021 AED'000	2020 AED'000
Gain recognised in other comprehensive income	<u>460</u>	<u>2,281</u>
Interest income from equity investments held at FVTOCI recognised in profit or loss	<u>2,644</u>	<u>661</u>

Financial assets at fair value through other comprehensive income pertains to an investment in Tier 1 Capital Certificates ("Bonds") issued at their par value. The Bonds are listed perpetual instruments and carry non-cumulative interest at a rate of 6% per annum payable every six months at the discretion of the issuer.

The following Bonds are classified as equity and at the initial recognition the Group made an irrevocable decision to classify the Bonds as financial assets at fair value through other comprehensive income under IFRS 9 as the Bonds are not held for trading.

10 Inventories

	2021 AED'000	2020 AED'000
Spares and consumables for district cooling services	19,248	26,809
Pre-insulated pipes	<u>7,770</u>	<u>8,272</u>
	<u>27,018</u>	<u>35,081</u>

The cost of inventories recognised as expense and included in 'cost of sales' is AED 4,421 thousand (2020: AED 5,191 thousand) (Note 25).

The inventories provision for the year amounted to AED Nil (2020:AED Nil).

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

11 Trade and other receivables

	2021 AED'000	2020 AED'000
Trade receivables	180,659	193,275
Accrued revenues	27,069	19,576
	<u>207,728</u>	<u>212,851</u>
Less: Provision for Expected credit loss	(56,832)	(48,264)
	<u>150,896</u>	<u>164,587</u>
<i>Other financial assets at amortised cost</i>		
Other receivables	<u>10,216</u>	<u>10,278</u>
<i>Other assets</i>		
Advance to contractors / suppliers	99,285	116,699
Prepayments	14,101	15,037
	<u>113,386</u>	<u>131,736</u>
	<u>274,498</u>	<u>306,601</u>

Other receivables includes AED 4,490 thousand (2020:AED 4,490 thousand) deposit receivable from DEWA.

As at 31 December 2021, the Group faced a concentration of credit risk with three customers (2020 : three customers) accounting for 29.22% (2020: 25.06%) of the trade receivables at that date. Due from one of these customer is fully collected subsequently. Management is of the opinion that two of the other customers are reputed and have an established record of meeting their financial commitments to the Group. In spite of the reputed standing of the customers, the Group has made a provision amounted to AED 25,535 thousand which was equivalent to 55.7% of their outstanding balance as on 31-Dec-2021.

As at 31 December 2021, the movement in the allowance for impairment of receivables is as follows:

	2021 AED'000	2020 AED'000
At 1 January	48,264	34,441
Charge for the year	8,568	13,823
Balance at the end of the year	<u>56,832</u>	<u>48,264</u>

The table on the following page details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base for majority of the customers.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

11 Trade and other receivables (continued)

As at 31 December, the aging analysis of trade receivables is as follows:

	Total	Not yet due	0 to 30 days	31 to 90 days	91 to 120 days	121 to 180 days	181 to 365 days	> 365 days
2021								
Trade receivables and accrued revenue (AED '000)	207,728	27,069	48,721	43,248	13,259	4,900	16,495	54,036
Provision %	-	0%	3.2%	12.2%	31.6%	53.5%	57.7%	62.3%
Provision (AED'000)	56,832	-	1,553	5,263	4,184	2,623	9,518	33,691
Net trade receivables and accrued revenue(AED'000)	150,896	27,069	47,168	37,985	9,075	2,277	6,977	20,345
2020								
Trade receivables and accrued revenue (AED '000)	212,851	19,576	46,344	41,743	27,348	11,528	24,137	42,175
Provision %	-	0%	1.1%	6.6%	27.3%	44.3%	48.3%	49.2%
Provision (AED'000)	48,264	-	519	2,747	7,476	5,104	11,658	20,760
Net trade receivables and accrued revenue(AED'000)	164,587	19,576	45,825	38,996	19,872	6,424	12,479	21,415

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group holds security deposits of AED 381,590 thousand (2020: AED 340,875 thousand) (Note 22) as collateral against receivables. Other classes of trade and other receivables do not contain impaired assets.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

12 Transactions and balances with related parties

Related parties include the shareholders, key management personnel, subsidiaries, joint venture, directors and businesses which are controlled directly or indirectly by the shareholders or directors or over which they exercise significant management influence. The Group has availed the exemption as per para 25 of IAS 24 Related Party Disclosure and consider the entities (other than disclosed below) controlled by Government of Dubai as non-related.

	2021 AED'000	2020 AED'000
Transactions with related parties		
<i>Services rendered to entities under common control of shareholder</i>		
Dubai Properties Group	160,070	131,835
Meraas Group	32,285	64,341
Jumeira Group	46,833	39,927
Tecom Investment	53,697	62,389
Global Village	707	640
	<u>293,592</u>	<u>299,132</u>
<i>Services received from Shareholder</i>		
Dubai Electricity and Water Authority (DEWA)	(974,879)	(805,585)
<i>Services received from entities under common control of Ultimate parent</i>		
Finance cost from Emirates NBD	6,903	3,341
<i>Compensation of key management personnel</i>		
Short term benefits	12,719	11,725
End of Service benefits	473	473
	<u>13,192</u>	<u>12,198</u>
Number of key management personnel	1	1

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

12 Transactions and balances with related parties (continued)

Balances with related parties

	2021 AED'000	2020 AED'000
Due from related parties		
<i>Entities under common control of shareholder</i>		
Others	3,618	14,471
Due to related parties		
<i>Shareholders</i>		
Dubai Electricity and Water Authority (DEWA)	153,599	142,879
Tecom Investment	668	41,636
	<u>154,267</u>	<u>184,515</u>
<i>Entities under common control of shareholder</i>		
Dubai Properties Group	1,605	2,064
Dubai Holding LLC	3,708	3,708
	<u>5,313</u>	<u>5,772</u>
<i>Others</i>		
Board of directors	5,050	5,050
Others	1,657	3,909
	<u>166,287</u>	<u>199,246</u>

The outstanding bank borrowings as at 31 December 2021 include a balance of AED 1,002,862 thousand (2020:AED 332,395 thousand) obtained from Emirates NBD, an entity under common control (Note 19).

During the year the Group entered into a transaction with Nakheel PJSC, an entity under common control to acquire Empower Snow LLC (Note 32).

Other receivables include a balance of AED 4,490 thousand (2020:AED 4,490 thousand) deposit receivable from DEWA (Note 11).

13 Financial assets at Fair value through profit or loss (FVTPL)

	2021 AED'000	2020 AED'000
Investment in National Bonds	<u>100,000</u>	<u>-</u>

During the year, the Group made an investment of AED 100 million (2020:Nil) in National Bonds for a tenure of 1 year. As of 31 December the fair value of the investment in National Bonds approximates to carrying value.

14 Term deposits

	2021 AED'000	2020 AED'000
Short-term bank deposits – more than 3 months	<u>114,800</u>	<u>17,500</u>

Term deposits held with banks with a maturity period of more than 3 months. Measurement is based on the principal amount of the deposits and interest is accrued based on the agreed rate of the interest. There is no impairment of the term deposit before the maturity date.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

15 Cash and cash equivalents

	2021 AED'000	2020 AED'000
Cash at bank	244,875	210,196
Short-term bank deposits – less than 3 months	<u>1,000,713</u>	<u>859,000</u>
	<u>1,245,588</u>	<u>1,069,196</u>

Bank balances are held with branches of local and international banks. Short-term bank deposits bear an effective interest rate of 0.80 % per annum (2020: 1.12 % per annum).

16 Capital

	2021 AED'000	2020 AED'000
Authorised, issued and fully paid up share capital		
Ordinary shares of 1,000,000,000 AED 1 each	<u>1,000,000</u>	<u>1,000,000</u>

As at 31 December 2021, the authorised and paid up capital of the Corporation amounted to AED 1,000,000,000 (2020: AED 1,000,000,000), of which AED 700,000,000 (2020: AED 700,000,000) was contributed by DEWA and AED 300,000,000 (2020: AED 300,000,000) was contributed by TECOM.

17 Statutory reserve

As required by the Decree of the Corporation and the Articles of Association of the subsidiaries, 10% of the profit for the year is required to be transferred to the statutory reserve. The Corporation and its subsidiaries may resolve to discontinue such transfers when the reserve equals 50% of the issued capital. During 2019, an amount of AED 60 million was transferred to meet the AED 500 million requirement (50% of share capital). The reserve is not available for distribution.

18 Contributed capital

In prior years, the Group received certain plots of land from the Government of Dubai, the valuation of which has been carried out by an independent firm. As disclosed in Note 2.11, the value of such land equivalent to AED 64,690 thousand has been treated as capital contribution from the shareholders as the Corporation is an entity controlled by DEWA, which is wholly-owned by the Government of Dubai.

During the year 2020, the Group received 2 plots of land from Meydan City Corporation with a value of AED 17,500 thousand which has resulted in the total contributed capital amounted to AED 82,190 thousand as of 31 December 2020.

19 Bank borrowings

	2021 AED'000	2020 AED'000
Term loan	1,994,747	1,329,582
Unamortised loan cost	<u>(6,862)</u>	<u>(7,543)</u>
Total	<u>1,987,885</u>	<u>1,322,039</u>
Less: current portion	<u>(1,000,219)</u>	<u>(167,179)</u>
Non-current portion	<u>987,666</u>	<u>1,154,860</u>

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

19 Bank borrowings (continued)

The Group's borrowings are denominated in USD. Interest rates on the Group's borrowings are variable and ranged between 1.58% and 1.65% (2020: 1.62% and 3.3%). Repayment terms are 7 years from June 2019 and the borrowings are unsecured.

The maturity profile of the borrowings is as follows:

	2021	2020
	AED'000	AED'000
Within one year	1,000,219	167,179
After one year but not more than five years	987,666	1,154,860
More than 5 years	-	-
	<u>1,987,885</u>	<u>1,322,039</u>

On 13 December 2018, the Group entered into a new syndicated loan facility with ENBD as the facility agent amounting to US\$ 400m (AED 1.47bn) at an interest rate of Libor + margin with a 7 years repayment facility scheduled from June 2019 to December 2020.

The Group had fully drawn down the total facility of US\$ 400m (AED 1,469m) as of 31 December 2020 (US\$ 136m in 2019 and US\$ 264m in 2020). During the year 2021, the Group made 2 scheduled repayments and 1 voluntary prepayment of US\$ 22.964m (AED 84.349m) each in the month of June 2021 and December 2021 (2020: scheduled repayments of \$ 9.5m (AED 34.9m) each in June 2020 and December 2020).

The undrawn term loan and facilities is Nil as at 31 December 2021 (2020: Nil) at a floating rate linked to LIBOR plus margin. The Group has complied with the financial covenants of its borrowing facilities during the 2021 and 2020 reporting periods.

On 14 October 2021, the Corporation entered into a new bridge loan facility with ENBD as the facility agent amounting to US\$ 250mn (AED 918mn) at an interest rate of Libor + margin with a bullet payment facility scheduled before June 2022. The amount was fully drawn down on 14 December 2021.

The movement in bank borrowings during the year:

	2021	2020
	AED'000	AED'000
At 1 January	1,329,582	429,726
Drawdown during the year	918,212	969,645
Repayment during the year	(253,047)	(69,789)
At 31 December	<u>1,994,747</u>	<u>1,329,582</u>

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

19 Bank borrowings (continued)

Details of interest rates, repayment terms and security on term loans are disclosed below:

Outstanding loan Amount AED '000	Repayment terms	Interest rate	Security
1,076,535	Repayable over a period of 7 years from June 2019	LIBOR plus margin	Unsecured
918,212	Bullet repayment in 6 months from drawdown date	LIBOR plus margin	Unsecured

Bank borrowings are denominated in the following currencies:

	2021 AED'000	2020 AED'000
US Dollar Loans	1,994,747	1,329,582

The Group had an outstanding balance in letters of credits amounting to AED 376,697 (2020: AED 621,007) which were fully payable to Emirates NBD, a related party for the Group (Note 34).

The undrawn term loan and facilities is Nil as at 31 December 2021 (2020: Nil) at a floating rate linked to LIBOR plus margin.

The Corporation has complied with the financial covenants of its borrowing facilities during the 2021 and 2020 reporting periods.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing ranges between one to six months. The fair value of current borrowings equals their carrying amount, as the impact of discounting is nullified with the floating rate interest arrangement for such borrowings.

20 Government grants

Government grants received prior to 23 November 2009 are recognised as income over the useful life of the plant constructed on the granted land. The current portion represents the expected release of government grant for the plants currently in operation and those which are expected to be completed during next year. The actual amount of release may vary due to delay in completion/commencement of the operations of these plants.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

20 Government grants (continued)

	2021 AED'000	2020 AED'000
At 1 January	376,450	379,230
Released during the year (Note 29)	(2,780)	(2,780)
At 31 December	373,670	376,450
Less: current portion	(2,780)	(2,780)
Non-current portion	370,890	373,670

21 Provision for employees' end of service benefits

	2021 AED'000	2020 AED'000
At 1 January	45,450	37,316
Charge for the year (Note 27)	5,523	8,823
Payments made during the year	(1,270)	(689)
At 31 December	49,703	45,450

In accordance with the provisions of IAS 19, management has carried out an exercise to assess the present value of its obligations as at 31 December 2021 and 2020, using the projected unit credit method, in respect of employees' end of service benefits payable under the UAE Labour Law. Under this method, an assessment has been made of the employee's expected service life with the Group and the expected basic salary at the date of leaving the service. Future salary increases have been estimated on a basis consistent with the natural progression of an employee's salary in-line with the Group's salary scales, past experience and market conditions.

	2021	2020
The principal assumptions used were as follows:		
Discount rate per year	1.21%	2.21%
Salary increase per year	5%	5%

22 Trade and other payables

	2021 AED'000	2020 AED'000
Refundable customers' security deposits (Note 11)	381,590	340,875
Deferred revenue	335,556	296,031
Project cost accruals	339,088	295,099
Project payables	110,536	148,786
Retentions payable	99,554	101,914
Other liabilities	254,003	291,209
Total	1,520,327	1,473,914
Less : Non-current portion		
Retentions payable	(35,318)	(63,105)
Current portion	1,485,009	1,410,809

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

22 Trade and other payables (continued)

Movement in deferred revenue is as follows:

	2021 AED'000	2020 AED'000
At 1 January	296,031	351,208
Billed during the year	1,026,306	933,828
Less: Income recognised during the year	(986,781)	(989,005)
At 31 December	<u>335,556</u>	<u>296,031</u>

Terms and conditions of the financial liabilities:

Trade payables and other financial liabilities are non-interest bearing and are normally settled on 60-90 day terms. Retentions payable are non-interest bearing and are normally settled in accordance with the terms of the contracts.

Revenue recognized in relation to deferred revenue

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year:

	2021 AED'000	2020 AED'000
Revenue recognised that was included in the contract liability balance at the beginning of the period	62,701	48,033
Revenue recognised from performance obligations satisfied in previous periods	<u>-</u>	<u>-</u>

Revenue is recognised at the point in time at which the performance obligation is satisfied.

23 Revenue

	2021 AED'000	2020 AED'000
District cooling services	2,456,586	2,268,649
Less: discounts	-	(21,479)
Sale of pre-insulated pipes	<u>7,288</u>	<u>7,945</u>
	<u>2,463,874</u>	<u>2,255,115</u>

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

24 Operating segments

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer ('CEO') makes strategic decisions.

Management 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 operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

The CEO is also provided with multiple levels of information which comprise of revenue, gross profit and net profit, aggregated for higher level components by stream. The financial accounting system of the Group is currently configured in this manner and this information is readily available. However, for decision making purposes, the CEO relies mainly on the revenue and net profit information that contains lower level components. Hence, the segment information provided is primarily to the net profit level of the Group.

For management purposes, the Group is organised 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 'Pre-insulated pipe business' segment is involved in manufacture, assemble and selling activities relating to the expansion of the Group's chilled water business.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

24 Operating segments (continued)

	2021				2020			
	Chilled water AED'000	Pre-insulated pipe AED'000	Intersegment eliminations AED'000	Total AED'000	Chilled water AED'000	Pre-insulated pipe AED'000	Elimination AED'000	Total AED'000
Revenues								
External revenue	2,456,586	7,288	-	2,463,874	2,247,170	7,945	-	2,255,115
Inter-segment revenue	-	26,003	(26,003)	-	-	36,467	(36,467)	-
Total revenues	<u>2,456,586</u>	<u>33,291</u>	<u>(26,003)</u>	<u>2,463,874</u>	<u>2,247,170</u>	<u>44,412</u>	<u>(36,467)</u>	<u>2,255,115</u>
Cost of sales	(1,386,517)	(25,113)	17,181	(1,394,449)	(1,207,312)	(29,108)	20,336	(1,216,084)
Impairment reversal of project cost	32,328	-	-	32,328	53,529	-	-	53,529
Gross profit	<u>1,102,397</u>	<u>8,178</u>	<u>(8,822)</u>	<u>1,101,753</u>	<u>1,093,387</u>	<u>15,304</u>	<u>(16,131)</u>	<u>1,092,560</u>
General and administrative expenses	(169,813)	(6,068)	-	(175,881)	(168,984)	(6,229)	-	(175,213)
Net impairment losses on financial assets	(8,804)	236	-	(8,568)	(13,823)	-	-	(13,823)
Other income	25,177	695	(9,700)	16,172	3,884	1,114	-	4,998
Operating profit	<u>948,957</u>	<u>3,041</u>	<u>(18,522)</u>	<u>933,476</u>	<u>914,464</u>	<u>10,189</u>	<u>(16,131)</u>	<u>908,522</u>
Finance income	10,614	1,019	-	11,633	4,405	213	-	4,618
Finance costs	(9,127)	-	-	(9,127)	(11,878)	-	-	(11,878)
Net profit for the year	<u>950,444</u>	<u>4,060</u>	<u>(18,522)</u>	<u>935,982</u>	<u>906,991</u>	<u>10,402</u>	<u>(16,131)</u>	<u>901,262</u>

Inter-segment transaction are eliminated on consolidation

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

24 Operating segments (continued)

Segment results include an amount of depreciation and amortisation allocated to the operating segments as follows:

	Chilled water AED'000	2021 Pre-insulated pipe AED'000	Total AED'000	Chilled water AED'000	2020 Pre-insulated pipe AED'000	Total AED'000
Depreciation on Property, Plant & Equipment (Note 5)	300,866	4,099	304,965	280,567	4,393	284,960
Depreciation on Right-of-use asset (Note 6)	6,187	-	6,187	7,017	-	7,017
Total Depreciation	307,053	4,099	311,152	287,584	4,393	291,977

Segment assets and liabilities are as follows:

	Chilled water AED'000	2021 Pre-insulated pipe AED'000	Total AED'000	Chilled water AED'000	2020 Pre-insulated pipe AED'000	Total AED'000
Segment assets	9,463,091	80,318	9,543,409	8,143,139	89,147	8,232,286
Investment in joint venture	307	-	307	307	-	307
Total assets	9,463,398	80,318	9,543,716	8,143,446	89,147	8,232,593
Segment liabilities	4,101,075	11,749	4,112,824	3,423,204	14,639	3,437,843
Total liabilities	4,101,075	11,749	4,112,824	3,423,204	14,639	3,437,843

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

24 Operating segments (continued)

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

	Chilled water AED'000	2021 Pre-insulated pipe AED'000	Total AED'000	Chilled water AED'000	2020 Pre-insulated pipe AED'000	Total AED'000
Property, plant and equipment	573,291	(1,711)	571,580	768,626	6,847	775,473

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	
	2021 AED'000	2020 AED'000	2021 AED'000	2020 AED'000
United Arab Emirates	2,463,874	2,255,115	7,773,976	6,789,437
Others	-	-	-	-
Total	2,463,874	2,255,115	7,773,976	6,789,437

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

25 Cost of sales

	2021 AED'000	2020 AED'000
Utilities costs	983,520	846,609
Depreciation on PPE (Note 5)	299,021	278,652
Staff costs (Note 27)	37,970	38,355
Depreciation - Right-of-use assets (Note 6)	4,625	4,979
Materials	4,421	5,191
Amortisation of intangible assets (Note 7)	400	-
Others	64,492	42,298
	<u>1,394,449</u>	<u>1,216,084</u>

26 General and administrative expenses

	2021 AED'000	2020 AED'000
Staff costs (Note 27)	134,377	136,073
Depreciation on PPE (Note 5)	5,944	6,308
Directors' remuneration	6,250	6,250
Communication expenses	4,254	5,260
Depreciation - Right-of-use assets (Note 6)	1,562	2,038
Advertising and marketing expenses	4,054	1,580
Rent	498	738
Others	18,942	16,966
	<u>175,881</u>	<u>175,213</u>

27 Staff costs

	2021 AED'000	2020 AED'000
Salaries	106,968	106,590
Staff benefits	59,856	59,015
End of service benefits (Note 21)	5,523	8,823
	<u>172,347</u>	<u>174,428</u>

Staff costs have been charged to:

Cost of sales (Note 25)	37,970	38,355
General and administrative expenses (Note 26)	134,377	136,073
	<u>172,347</u>	<u>174,428</u>

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

28 Impairment reversal

	2021 AED'000	2020 AED'000
Impairment reversal of project cost (Note 5)	32,328	53,529

29 Other income

	2021 AED'000	2020 AED'000
Government grant (Note 20)	2,780	2,780
Others	13,392	2,218
	<u>16,172</u>	<u>4,998</u>

30 Finance income / (costs)

	2021 AED'000	2020 AED'000
Interest income on short-term bank deposits	7,255	3,418
Interest income on financial asset at FVTOCI (Note 9)	2,644	661
Interest income on call account with banks	624	539
Interest income earned on financial assets at amortised cost	610	-
Interest income on financial asset at FVTPL	500	-
Total finance income	<u>11,633</u>	<u>4,618</u>
Interest on lease liabilities	(712)	(1,146)
Interest expense on bank borrowings	(21,662)	(14,871)
	<u>(22,374)</u>	<u>(16,017)</u>
Interest expenses capitalized	13,247	4,139
Total finance costs	<u>(9,127)</u>	<u>(11,878)</u>
Finance income / (costs)- net	<u>2,506</u>	<u>(7,260)</u>

Capitalised borrowing costs

The capitalisation rate used to determine the amount of borrowing costs is weighted average interest rate applicable to the entity's general borrowings during the year 1.905% (2020 – 1.604%).

The accounting policies for financial instruments have been applied to the line items below:

Amortised cost	2021 AED'000	2020 AED'000
Trade and other receivables, excluding prepayments	260,397	291,564
Due from related parties (Note 12)	3,618	14,471
Financial assets at amortised cost (Note 8)	309,075	-
Term deposits (Note 14)	114,800	17,500
Cash and cash equivalents (Note 15)	1,245,588	1,069,196
Total	<u>1,933,478</u>	<u>1,392,731</u>

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

31 Financial instruments by category (continued)

Fair value through other comprehensive income (FVTOCI)

	2021 AED'000	2020 AED'000
Financial assets at fair value through other comprehensive income (Note 9)	58,113	57,653

Financial assets at Fair value through profit or loss (FVTPL)

	2021 AED'000	2020 AED'000
Investment in National Bonds (Note 13)	100,000	-

	2021 AED'000	2020 AED'000
Other financial liabilities at amortised cost		
Trade and other payables excluding deferred revenue	1,184,771	1,177,883
Due to related parties (Note 12)	166,287	199,246
Lease liabilities (Note 6)	14,952	20,744
Bank borrowings (Note 19)	1,987,885	1,322,039
Total	3,353,895	2,719,912

The fair values of the Group's financial assets and liabilities are not materially different from their carrying values at the reporting date.

32 Acquisition of Empower Snow LLC

On 18 August 2021 later amended on 16 December 2021, the Group entered into a sale and purchase agreement with Nakheel PJSC (Nakheel) to acquire 100% share capital of Empower Snow LLC, a subsidiary of Nakheel, for a period of 30 years for a consideration of AED 673.9 million. Of the consideration, an amount of AED 5.6million retained towards the customers prepayment and security deposit balance transferred by Nakheel on the effective date (net payment: AED 668.3).

Empower Snow LLC (entity) is a company incorporated in Dubai, UAE (registration no. 1569318), whose registered office is at Emirate of Dubai. The company is a special purpose vehicle that entered into a master concession agreement with Nakheel, whereby Nakheel granted rights to Empower Snow LLC to operate and maintain the cooling systems and to provide district cooling services to its developments, in accordance with the terms and conditions set out in the agreement.

Furthermore, on 16 December 2021, Nakheel signed an asset transfer agreement with Empower Snow LLC transferring the rights, title, and interest in 16 District cooling assets.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

32 Acquisition of Empower Snow LLC (continued)

Management performed a detailed analysis on Empower Snow transaction with Nakheel and concluded this as a failed sale transaction and accounted for it as a finance arrangement at the net present value of the consideration paid amounting to AED 305.2 million (Note 8) (given the minimum guaranteed amount guaranteed by the seller under the contract). The excess consideration paid of AED 364.3 million represents an intangible for the right to charge users of the district cooling services under the transaction for a period of 30 years (Note 7).

The acquisition of Empower Snow LLC did not qualify as a transaction to be accounted for under IFRS 3 (Business Combinations) given the lack of business processes available in Empower Snow LLC.

33 COVID-19's impact on the Group's operations

In response to the spread of the novel coronavirus ("Covid-19") the management had assessed the impacts on its operations and had taken a series of preventive measures such as safety and health measures for people (such as social distancing and working from home) and securing the supply of materials that are essential to avoid disruption to Group operations.

All of the Group's plants were operational throughout the year and there was no disruption to services provided.

Based on these factors, management believes that the Covid-19 pandemic has had no material effects on the results of key revenue generating operations for the year ended 31 December 2021. Management continues to monitor the situation closely.

Business continuity planning

The Group monitors the COVID-19 situation and takes timely decisions to resolve any concerns.

Liquidity management and going concern assessment

Economic stress in the markets brought on by the COVID-19 crisis is being felt globally through lack of liquidity in the markets. Given the importance of liquidity in this environment, the Group closely monitors cash flow position at its level along with other measures to safeguard future performance of its subsidiaries and therefore intends to support the operations of the Group to continue as a going concern for a foreseeable future, if necessary.

34 Guarantees

As at 31 December 2021, the Group had outstanding bank guarantees and letters of credits amounting to AED 376,697 (2020: AED 621,007), which were issued by the Group's bankers in the normal course of business.

35 Commitments

Capital commitments

As at 31 December 2021, the Group had project commitments of AED 610,685 thousand (2020: AED 821,729 thousand) for projects-in-progress. These commitments represent the value of contracts issued as at 31 December 2021 and as at 31 December 2020, net of invoices recorded and accruals made as at that date.

Emirates Central Cooling Systems Corporation

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

36 Earning per share

	2021 AED'000	2020 AED'000
Profit attributable to owners of the parent	935,860	900,950
Number of ordinary shares for basic EPS	<u>1,000,000</u>	<u>1,000,000</u>
Basic and diluted earnings per share	<u>0.935</u>	<u>0.900</u>

37 Non-cash transactions

	2021 AED'000	2020 AED'000
Additions of right-of-use-assets (Note 6)	<u>1,070</u>	<u>1,178</u>
Customer prepayment and security deposit (Note 32)	<u>5,606</u>	<u>-</u>

38 Subsequent events

Federal Corporate Tax

The Ministry of Finance has announced that the UAE will introduce a federal corporate tax on business profits with a standard statutory tax rate of 9% that will be effective for financial years starting on or after 1st June 2023. Businesses will become subject to UAE corporate tax from the beginning of their first financial year that starts on or after 1 June 2023.

The corporate tax will apply to all businesses and commercial activities alike, except for the extraction of natural resources which will remain subject to Emirate level corporate taxation.

Dubai Airport – District Cooling Asset Acquisition

Empower has signed Heads of Terms (HOTs) and is in advanced negotiation with Dubai Airports City Corporation for potential acquisition of district cooling assets. The acquisition will provide Empower to operate the District Cooling infrastructure of the Dubai International Airport (DXB) including all its terminal facilities and complexes. The estimated RT to be served will be 110,000. The transaction does not have impact on the current year.

Emirates Central Cooling Systems Corporation

Interim condensed consolidated financial statements
For the three month and six-month periods ended 30 June 2022
(unaudited)

Emirates Central Cooling Systems Corporation

Interim condensed consolidated financial statements
For the three-month and six-month periods ended 30 June 2022 (unaudited)

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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

Emirates Central Cooling Systems Corporation

Interim condensed consolidated statement of financial position

		As at	
		30 June 2022 AED'000 Unaudited	31 December 2021 AED'000 Audited
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment	6	6,996,477	7,032,991
Right-of-use assets		12,912	13,412
Investment properties	10	59,047	
Intangible assets	7	358,218	364,296
Investment in a joint venture		307	307
Financial assets at amortised cost	8	303,066	305,164
Financial assets at fair value through other comprehensive income	9	54,120	58,113
		7,784,147	7,774,283
Current assets			
Inventories		25,462	27,018
Trade and other receivables	11	398,551	274,498
Due from related parties	13	12,971	3,618
Financial assets at amortised cost	8	4,028	3,911
Financial assets at fair value through profit or loss	14	100,000	100,000
Term deposits	15	323,600	114,800
Cash and cash equivalents	15	1,834,783	1,245,588
		2,699,395	1,769,433
Total assets		10,483,542	9,543,716
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to owners of the Parent			
Share capital		1,000,000	1,000,000
Statutory reserve		500,000	500,000
Other reserves		(3,135)	2,741
Retained earnings		3,775,670	3,844,024
Contributed capital		82,190	82,190
		5,354,725	5,428,955
Non-controlling interests		2,005	1,937
Total equity		5,356,730	5,430,892
LIABILITIES			
Non-current liabilities			
Bank borrowings	16	883,716	987,666
Lease liabilities		11,066	11,939
Government grant		369,110	370,890
Provision for employees' end of service benefits		54,001	49,703
Retentions payable	17	20,114	35,318
		1,338,007	1,455,516
Current liabilities			
Trade and other payables	17	1,625,929	1,485,009
Due to related parties	13	132,921	166,287
Bank borrowings	16	2,023,527	1,000,219
Government grant		3,170	2,780
Lease liabilities		3,258	3,013
		3,788,805	2,657,308
Total liabilities		5,126,812	4,112,824
Total equity and liabilities		10,483,542	9,543,716

These interim condensed consolidated financial statements were approved by the Board of Directors on 16 September 2022 and signed on their behalf by:

Chief Executive Officer

Chairman

Emirates Central Cooling Systems Corporation

Interim condensed consolidated statement of comprehensive income

	<i>Note</i>	Three-month period ended 30 June		Six-month period ended 30 June	
		2022	2021	2022	2021
		AED'000	AED'000	AED'000	AED'000
		Unaudited	Unaudited and not reviewed	Unaudited	Unaudited
Revenue	18	687,986	596,168	1,154,257	993,114
Interest income on financial asset at amortised cost	8	4,676	-	9,251	-
Cost of sales	20	(379,882)	(312,831)	(615,175)	(520,411)
Gross profit		312,780	283,337	548,333	472,703
General and administrative expenses	21	(52,466)	(43,008)	(104,408)	(91,466)
Provision for expected credit losses	11	(7,395)	(236)	(7,395)	-
Other income		1,212	5,891	2,708	7,821
Operating profit		254,131	245,984	439,238	389,058
Finance income		8,972	2,683	11,836	4,665
Finance costs		(12,674)	(2,100)	(19,360)	(4,604)
Finance costs – net		(3,702)	583	(7,524)	61
Net profit for the period		250,429	246,567	431,714	389,119
Profit attributable to:					
Owners of the Parent		250,420	246,521	431,646	389,058
Non-controlling interests		9	46	68	61
		250,429	246,567	431,714	389,119
Basic and diluted earnings per share for profit attributable to the owners of the Parent (AED)	25	0.250	0.246	0.431	0.389
Profit for the period		250,429	246,567	431,714	389,119
<i>Items that will not be reclassified to profit or loss</i>					
Other comprehensive (loss) / income for the period		(3,383)	1,406	(5,876)	1,406
Total comprehensive income for the period		247,046	247,973	425,838	390,525
Total comprehensive income attributable to:					
Owners of the Parent		247,037	247,927	425,770	390,464
Non-controlling interests		9	46	68	61
		247,046	247,973	425,838	390,525

Emirates Central Cooling Systems Corporation

Interim condensed consolidated statement of changes in equity

	Note	Attributable to shareholders of the Parent					Non-controlling interests AED'000	Total AED'000
		Share capital AED'000	Statutory reserve AED'000	Other reserves AED'000	Retained earnings AED'000	Contributed capital AED'000	Total equity AED'000	
At 1 January 2022		1,000,000	500,000	2,741	3,844,024	82,190	5,428,955	5,430,892
Total comprehensive income for the period								
Profit for the period		-	-	-	431,646	-	431,646	431,714
Other comprehensive income								
Other comprehensive loss for the period				(5,876)	-	-	(5,876)	(5,876)
Total comprehensive income for the period		-	-	(5,876)	431,646	-	425,770	425,838
Transaction with owners in their capacity as owners:								
Dividends	12				(500,000)		(500,000)	(500,000)
At 30 June 2022 (unaudited)		1,000,000	500,000	(3,135)	3,775,670	82,190	5,354,725	5,356,730
At 1 January 2021		1,000,000	500,000	2,281	3,208,164	82,190	4,792,635	4,794,750
Total comprehensive income for the period								
Profit for the period		-	-	-	389,058	-	389,058	389,119
Other comprehensive income								
Other comprehensive income for the period		-	-	1,406	-	-	1,406	1,406
Total comprehensive income for the period		-	-	1,406	389,058	-	390,464	390,525
Transaction with owners in their capacity as owners:								
Dividends	12	-	-	-	(300,000)	-	(300,000)	(300,300)
At 30 June 2021 (unaudited)		1,000,000	500,000	3,687	3,297,222	82,190	4,883,099	4,884,975

Emirates Central Cooling Systems Corporation
Interim condensed consolidated statement of cash flows

		Six-month period ended 30 June	
		2022	2021
		AED'000	AED'000
	Note	Unaudited	Unaudited
Cash flows from operating activities			
Profit for the period		431,714	389,119
Adjustments for:			
Depreciation on property, plant and equipment	6	157,091	148,850
Depreciation on right-of-use assets		2,320	3,172
Impairment of trade receivables	11	7,395	(236)
Settlement of financial assets	8	11,232	-
Amortisation of intangible assets	7	6,078	-
Gain on disposal of property, plant and equipment		-	(14)
Amortization of borrowings arrangement fee		2,041	754
Provision for employees' end of service benefits		2,711	2,595
Interest on lease liability		291	385
Interest on financial asset	8	(9,251)	-
Finance income		(11,836)	(4,665)
Finance costs net of arrangement fee		17,028	10,125
Government grant income		(1,390)	(1,390)
Operating cash flows before changes in working capital and Payment of employees' end of service benefits			
		615,424	548,695
Changes in working capital:			
Inventories		1,556	(3,015)
Trade and other receivables		(129,466)	(57,492)
Due from related parties		(9,353)	4,580
Trade and other payables		165,003	(5,057)
Due to related parties		(33,366)	144,337
Cash generated from operations			
		609,798	632,048
Payment of employees' end of service benefits		(296)	(719)
Net cash inflow from operating activities			
		609,502	631,329
Cash flows from investing activities			
Purchase of property, plant and equipment, net of project cost accruals		(220,895)	(315,008)
Short-term deposits (more than 3 months) invested		(208,800)	(1,500)
Gain on disposal of property, plant and equipment		-	14
Interest received		11,836	4,665
Net cash outflow from investing activities			
		(417,859)	(311,829)
Cash flows from financing activities			
Proceeds from bank borrowings net of arrangement fee		917,319	-
Repayment of borrowings		-	(84,349)
Lease payments		(2,739)	(3,511)
Interest paid		(17,028)	(10,510)
Dividends paid	12	(500,000)	(400,300)
Net cash inflow / (outflow) from financing activities			
		397,552	(498,670)
Net increase / (decrease) in cash and cash equivalents			
		589,195	(179,170)
Cash and cash equivalents, beginning of the period		1,245,588	1,069,196
Cash and cash equivalents, end of the period			
	15	1,834,783	890,026

Emirates Central Cooling Systems Corporation

Notes to the interim condensed consolidated financial statements for the six-month period ended 30 June 2022

1 Establishment and operations

Emirates Central Cooling Systems Corporation (“EMPOWER”) (“the Corporation”) was established on 23 November 2003 as a corporate entity in accordance with Article 3 of Law No. (10) “Emirates Central Cooling Systems Corporation Incorporation Law for the year 2003” (“the Decree”) and commenced commercial operations on 15 February 2004. The Corporation was established as a joint venture between Dubai Electricity and Water Authority (“DEWA”), which is ultimately owned by the Government of Dubai and the Dubai Development Authority (formerly known as Dubai Creative Cluster Authority) (“the authority”), however, the beneficial interest of the authority was transferred to Tecom Investments FZ-LLC (“TECOM”) effective from inception.

On 23 November 2009 a letter was issued by the Ruler of Dubai allowing DEWA to increase its shareholding to 70% in the Corporation and diluted TECOM’s interest to 30%. This change in the shareholding structure has been formalised through the Decree No. 3 of 2010 issued by the Ruler of Dubai. On 9 May 2022, TECOM transferred its interest of 30% to Emirates Power Investment LLC, an entity under common control through the Decree No. 19 of 2022 issued by the Ruler of Dubai.

The principal activities of the Corporation are provision of district cooling services, management, operation and maintenance of central cooling plants and related distribution networks. The principal office of the Corporation is P.O. Box 8081, Al Hudaiba Awards Building, Dubai, United Arab Emirates.

These interim condensed consolidated financial statements relates to the Corporation and its subsidiaries (collectively referred to as “the Group”). The Corporation has the following principal subsidiaries:

Subsidiary	Principal activity	Beneficial holding	
		2022	2021
Empower Logstor LLC (“ELIPS”)	Manufacturing of pre-insulated pipes, mainly for district cooling.	97.0%	97.0%
Palm District Cooling LLC	Establishing and operating district cooling projects and provide air-conditioning, ventilator and refrigeration services.	99.9%	99.9%
Palm Utilities LLC	Establishing and operating district cooling projects and provide air-conditioning, ventilator and refrigeration services.	99.5%	99.5%
Empower FM LLC	Installations of equipment, installations and supplies for air conditioning, ventilation and purification systems, repairs and maintenance.	100.0%	100.0%
Empower Engineering & Consultancy LLC	Consultancy services for Project Development	100.0%	100.0%
Empower SNOW LLC	Establishing and operating district cooling projects and provide air-conditioning, ventilator and refrigeration services.	100.0%	100.0%

These interim condensed consolidated financial statements for the six-month ended 30 June 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 16 September 2022.

Emirates Central Cooling Systems Corporation

Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2022 (continued)

1 Establishment and operations (continued)

These interim condensed consolidated financial statements have been reviewed, not audited. The comparative information for the interim condensed consolidated statement of financial position is based on the audited financial statements as at 31 December 2021. 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 as it is the first time the Group has prepared interim condensed consolidated financial statements for the three-month period ended 30 June 2022.

2 Basis of preparation

These interim condensed consolidated financial statements for the six-month ended 30 June 2022 has been prepared in accordance with International Accounting Standard 34 'Interim financial reporting', ("IAS 34").

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.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2021.

As of 30 June 2022, the Group's current liabilities exceeded the current assets by AED 1,089,410 thousand. The current liabilities of the Group includes bank borrowings amounting to AED 2,023,527 thousand.

Management has prepared cash flow projections covering a twelve-month period which indicates that the Group will be able to meet its liabilities as they fall due. The cash flow projections include significant assumption of successful restructuring of banking facilities and a pre-IPO dividend distribution to its shareholders.

The Group is in the process of restructuring its bank borrowings and obtaining long-term loan facilities of AED 5,500,000 thousand with tenors of 3 - 5 years and plans to repay its existing borrowings amounting to AED 2,907,243 thousand and to pay a pre-IPO dividend to shareholders. Management has received mandate letter from a bank with a commitment to the said loan facilities and is confident that the financing restructuring is at an which will reflect positively on the Group's current ratio.

During the six-month period ended 30 June 2022, the Group reported profit amounting to AED 431,714 thousand and positive operating cash flows of AED 609,502 thousand and the Group holds AED 1,834,783 thousand in cash and cash equivalents as of 30 June 2022. Further, the current liabilities also includes deferred revenue amounting to AED 334,614 thousand (Note 17) which is billed to the customer on connection and is expected to be realised as revenue within the next 12 months. The current liabilities also include refundable customer security deposits (Note 17) amounting to AED 404,790 thousand which are payable on disconnection of service by a customer in the ordinary course of business.

Accordingly, these interim condensed consolidated financial statements have been prepared on a going concern basis.

Emirates Central Cooling Systems Corporation

Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2022 (continued)

3 Significant accounting policies

The accounting policies applied in the preparation of these interim condensed consolidated financial statements are consistent with those applied by the Group in its recent annual audited consolidated financial statements for the year ended 31 December 2021 except for the adoption of new and amended standards as set out below.

(a) New and amended standards adopted by the Group

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

(b) Impact of standards issued but not yet applied by the Group

The new and amended standards that are issued, but not yet effective, up to the date of issuance of the Group's interim condensed consolidated financial statements are disclosed below:

	Effective date
Classification of Liabilities as Current or Noncurrent – Amendments to IAS 1	1 January 2023
IFRS 17 Insurance Contracts	1 January 2023
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
Definition of Accounting Estimate – Amendments to IAS 8	1 January 2023
IFRS 10 and IAS 28 - Sale or Contribution of Assets between an investor and its Associate or Joint Venture	Effective date deferred indefinitely
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS12	1 January 2023

The Group does not expect the adoption of the above new standards and amendments to have a material impact on the future consolidated financial statements of the Group.

(c) Interest Rate Benchmark Reform – Phase 2

As of 30 June 2022, the applicable interest rate benchmark in the Group's borrowing agreements have not been replaced except for one borrowing facility. However, the adoption does not have a material impact on the interim condensed consolidated financial statements for six-month period ended 30 June 2022. Management is currently monitoring the external progress on the transition to alternate benchmarks with the objective of ensuring a smooth transition for the Group's remaining borrowing agreements.

The following table contains details of all of the financial instruments that Group holds as at 30 June 2022 which reference USD LIBOR and have not yet transitioned to an alternative interest rate benchmark:

	Carrying value at 30 June 2022	Of which have yet to transition to an alternative benchmark interest rate as at 30 June 2022:
	AED'000	AED'000
Liabilities		
<i>Liabilities exposed to USD LIBOR</i>		
<i>Measured at amortised cost</i>		
Bank borrowings	1,989,031	1,989,031

Emirates Central Cooling Systems Corporation

Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2022 (continued)

4 Use of estimates and judgments

The preparation of interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the preparation of the consolidated financial statements of the Group as at and for the year ended 31 December 2021.

5 Financial risk management

5.1 Financial risk factors

The Group's activities and borrowings expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and cash flow interest rate risk), credit risk and liquidity risk.

These interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements. As such, they should be read in conjunction with the Group's consolidated financial statements as at 31 December 2021. There have been no changes in any financial risk management policies since year-end.

5.2 Liquidity risk

During six month period ended 30 June 2022, the Group obtained a new bank loan which is disclosed in Note 16. There has been no other material change in the contractual undiscounted cash outflows for financial liabilities during this period.

5.3 Fair value estimation

Financial instruments comprise financial assets and financial liabilities. Financial assets consist of cash and bank balances, trade and other receivables (excluding prepayments) and due from related parties. Financial liabilities consist of trade and other payables (excluding deferred revenue), bank borrowings and due to related parties. The fair values of financial instruments approximate their carrying values.

Emirates Central Cooling Systems Corporation

Notes to the interim condensed consolidated financial statements
for the three-month and six-month periods ended 30 June 2022 (continued)

6 Property, plant and equipment

	Land AED'000	Plant, equipment and machinery AED'000	Building AED'000	Furniture and fixtures AED'000	Leasehold improvements AED'000	Computer equipment AED'000	Vehicles AED'000	Capital work-in- progress AED'000	Total AED'000
Cost									
At 1 January 2022	494,282	8,032,967	70,037	16,776	11,490	40,902	6,914	842,741	9,516,109
Additions	-	-	(144)	604	(134)	1,093	1,861	176,344	179,624
Transfers	-	508,640	-	-	-	-	-	(508,640)	-
Transfers to investment properties (Note 10)	(2,536)	(1,597)	-	-	-	-	-	(54,914)	(59,047)
At 30 June 2022 (unaudited)	491,746	8,540,010	69,893	17,380	11,356	41,995	8,775	455,531	9,636,686
Accumulated depreciation									
At 1 January 2022	-	2,358,259	29,012	15,725	10,821	33,831	5,649	29,821	2,483,118
Charge for the period	-	153,540	1,347	488	(113)	1,545	284	-	157,091
At 30 June 2022 (unaudited)	-	2,511,799	30,359	16,213	10,708	35,376	5,933	29,821	2,640,209
Net book amount at 30 June 2022 (unaudited)	491,746	6,028,211	39,534	1,167	648	6,619	2,842	425,710	6,996,477

Capital work-in-progress balances include costs of constructing district cooling plants and networks pertaining to various projects. During six-month period ended 30 June 2022, the transfer to plant, equipment and machinery from capital work in progress represents additions mainly to four district cooling projects.

Emirates Central Cooling Systems Corporation

Notes to the interim condensed consolidated financial statements
for the three-month and six-month periods ended 30 June 2022 (continued)

6 Property, plant and equipment (continued)

	Land AED'000	Plant, equipment and machinery AED'000	Building AED'000	Furniture and fixtures AED'000	Leasehold improvements AED'000	Computer equipment AED'000	Vehicles AED'000	Capital work-in- progress AED'000	Total AED'000
Cost									
At 1 January 2021	494,282	7,633,115	70,709	15,803	10,936	39,638	6,337	658,167	8,928,987
Additions	-	-	-	975	554	1,265	730	588,849	592,373
Transfers	-	404,947	-	-	-	-	-	(404,947)	-
Disposals	-	(5,095)	-	(2)	-	(1)	(153)	-	(5,251)
At 31 December 2021 (audited)	494,282	8,032,967	70,709	16,776	11,490	40,902	6,914	842,069	9,516,109
Accumulated depreciation									
At 1 January 2021	-	2,064,333	26,221	14,799	10,656	32,297	5,277	62,149	2,215,732
Charge for the year	-	299,021	2,791	928	165	1,535	525	-	304,965
Impairment reversal	-	-	-	-	-	-	-	(32,328)	(32,328)
Disposals	-	(5,095)	-	(2)	-	(1)	(153)	-	(5,251)
At 31 December 2021 (audited)	-	2,358,259	29,012	15,725	10,821	33,831	5,649	29,821	2,483,118
Net book amount at 31 December 2021 (audited)	494,282	5,674,708	41,697	1,051	669	7,071	1,265	812,248	7,032,991

Emirates Central Cooling Systems Corporation

Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2022 (continued)

6 Property, plant and equipment (continued)

	Three-month period ended 30 June		Six-month period ended 30 June	
	2022	2021	2022	2021
	AED'000	AED'000	AED'000	AED'000
	Unaudited	Unaudited and not reviewed	Unaudited	Unaudited
Depreciation expense has been charged to:				
Cost of sales (Note 20)	75,390	74,608	153,540	145,869
General and administrative expenses (Note 21)	2,076	1,509	3,551	2,981
	77,466	76,117	157,091	148,850

7 Intangible assets

	30 June 2022 AED'000 Unaudited	31 December 2021 AED'000 Audited
At the beginning of the period/year	364,296	-
Additions during the period/year	-	364,696
Amortisation during the period/year	(6,078)	(400)
At the end of the period/year	358,218	364,296

Intangible asset represents right to charge users acquired which are recognized at fair value at acquisition date with a useful life of 30 years.

8 Financial assets at amortised cost

	30 June 2022 AED'000 Unaudited	31 December 2021 AED'000 Audited
At the beginning of the period/year	309,075	-
Additions during the period/year	-	309,204
Interest earned during the period/year	9,251	610
Settlement during the period/year	(11,232)	(739)
At the end of the period/year	307,094	309,075
Less: current portion	(4,028)	(3,911)
Non-current portion	303,066	305,164

The financial assets at amortised cost represents receivable from Nakheel PJSC (Note 13) in relation to acquisition of Empower Snow LLC (formerly Snow LLC) during 2021.

Emirates Central Cooling Systems Corporation

Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2022 (continued)

9 Financial assets at fair value through other comprehensive income (FVTOCI)

	30 June 2022 AED'000 Unaudited	31 December 2021 AED'000 Audited
At the beginning of the period/year	58,113	57,653
(Loss) / gain during the period/year	(3,993)	460
At the end of the period/year	54,120	58,113

During the period, the following gains were recognised in profit or loss and other comprehensive income for the above financial assets:

	30 June 2022 AED'000 Unaudited	30 June 2021 AED'000 Unaudited and not reviewed
(Loss) / gain recognised in other comprehensive income	(3,993)	1,406

Financial assets at fair value through other comprehensive income pertains to an investment in Tier 1 Capital Certificates ("Bonds") issued at their par value. The Bonds are listed perpetual instruments and carry non-cumulative interest at a rate of 6% per annum payable every six months at the discretion of the issuer.

The Bonds are classified as equity and at the initial recognition the Group made an irrevocable decision to classify the Bonds as financial assets at fair value through other comprehensive income under IFRS 9 as the Bonds are not held for trading.

10 Investment properties

	30 June 2022 AED'000 Unaudited	31 December 2021 AED'000 Audited
Land and building under construction		
Transfer from property, plant and equipment (Note 6)	59,047	-
At the ending of the period/year	59,047	-

The Group started construction of its head quarter project in 2021. The project consists of two towers with common area and retail outlets which are expected to be completed during the last quarter of 2022.

During the period, management revisited its plan of occupation and concluded to occupy only one tower for its use along with its related common area which were initially planned to be occupied for its use. As a result, the carrying amount of one tower and related areas were transferred to investment properties from property, plant and equipment (Note 6).

The Group carries investment properties at cost less accumulated depreciation and any accumulated impairment. Investment property under the cost model is impaired if its carrying amount exceeds its recoverable amount.

Emirates Central Cooling Systems Corporation

Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2022 (continued)

11 Trade and other receivables

	30 June 2022 AED'000 Unaudited	31 December 2021 AED'000 Audited
Trade receivables	260,812	180,659
Accrued revenues	76,328	27,069
	337,140	207,728
Less: Provision for expected credit losses	(64,227)	(56,832)
<i>Other financial assets at amortised cost</i>		
Other receivables	14,659	10,216
<i>Other assets</i>		
Advance to contractors and suppliers	101,267	99,285
Prepayments	9,712	14,101
	110,979	113,386
	398,551	274,498

The movement in the allowance for impairment of receivables is as follows:

	30 June 2022 AED'000 Unaudited	31 December 2021 AED'000 Audited
At the beginning of the period/year	56,832	48,264
Charge for the period/year	7,395	8,568
At the end of the period/year	64,227	56,832

12 Dividends

A final dividend of AED 500,000,000 (AED 0.5 per share), in respect of the year ended 31 December 2021, was declared and approved on 10 February 2022 by the Board of Directors of the Group which was paid in April 2022 (2021: a final dividend of AED 300,000,000 (AED 0.3 per share), in respect of the year ended 31 December 2020 was declared and approved on 19 January 2021 by the Board of Directors of the Group).

13 Transactions and balances with related parties

Related parties include the shareholders, key management personnel, subsidiaries, joint venture, directors and businesses which are controlled directly or indirectly by the shareholders or directors or over which they exercise significant management influence. The Group has availed the exemption as per para 25 of IAS 24 Related Party Disclosure and consider the entities (other than disclosed below) controlled by Government of Dubai as non-related.

Emirates Central Cooling Systems Corporation

Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2022 (continued)

13 Transactions and balances with related parties (continued)

(a) Related party transactions

During the period, the Group entered into the following significant transactions with related parties:

	Three-month period ended 30 June		Six-month period ended 30 June	
	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000
	Unaudited	Unaudited and not reviewed	Unaudited	Unaudited
<i>Services rendered / (received) to entities under common control of shareholders</i>				
Dubai Properties Group LLC	37,942	39,100	65,464	61,581
Tecom Investments FZ LLC	16,285	16,261	27,584	26,347
Jumeirah Group LLC	12,280	12,273	20,333	19,830
Meraas Holding LLC	10,637	11,321	17,779	8,227
Global Village Dubai LLC	182	187	317	313
	77,326	79,142	131,477	116,298
<i>Dividend to shareholders</i>				
Tecom Investments FZ LLC*	-	-	150,000	90,000
Dubai Electricity and Water Authority (DEWA)	-	-	350,000	210,000
	-	-	500,000	300,000
<i>Services received from shareholder</i>				
Dubai Electricity and Water Authority (DEWA)	297,891	210,582	408,719	309,749
<i>Services received from entities under common control of Ultimate Parent</i>				
Finance cost from Emirates NBD PJSC	4,665	1,261	7,740	2,671
<i>Key Management Remuneration</i>				
Board of directors' remuneration (Note 21)	1,562	1,562	3,125	3,125
<i>Compensation of key management personnel</i>				
Short term benefits	1,245	1,071	2,526	2,313
End of service benefits	142	118	260	236
	1,387	1,189	2,786	2,549
<i>Number of key management personnel</i>				
	1	1	1	1

* On 9 May 2022, TECOM transferred its interest of 30% to Emirates Power Investment LLC, an entity under common control as detailed in Note 1.

Emirates Central Cooling Systems Corporation

Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2022 (continued)

13 Transactions and balances with related parties (continued)

(b) Balances with related parties

	30 June 2022 AED'000 Unaudited	31 December 2021 AED'000 Audited
Due from related parties		
<i>Entities under common control of shareholders</i>		
Jumeirah Group LLC	5,264	2,085
Tecom Investments FZ LLC	4,726	-
Meraas Holding LLC	2,931	1,494
Others	50	39
	12,971	3,618
Due to related parties		
<i>Shareholder</i>		
Dubai Electricity and Water Authority (DEWA)	118,134	153,599
<i>Entities under common control of shareholders</i>		
Dubai Properties Group LLC	7,498	2,828
Dubai Holding LLC	3,727	3,708
Tecom Investments FZ LLC	-	668
	11,225	7,204
<i>Others</i>		
Board of directors	3,125	5,050
Others	437	434
	132,921	166,287

The outstanding bank borrowings as at 30 June 2022 includes a balance of AED 1,002,862 thousand (2021: AED 1,002,862 thousand) from Emirates NBD PJSC, an entity under common control. Bank borrowings also includes a balance of AED 918,238 thousand (2021: AED nil) from Dubai Islamic Bank PJSC, an entity under significant influence of the shareholders.

Other receivables include a balance of AED 4,490 thousand (2021: AED 4,490 thousand) deposit receivable from DEWA (Note 11).

The financial assets at amortised cost (Note 8) represents receivable from Nakheel PJSC, an entity under common control, in relation to acquisition of Empower Snow LLC (formerly Snow LLC) during 2021.

As of 30 June 2022, the cash and cash equivalents includes a balance of AED 1,417,198 thousand (2021: AED 1,155,126 thousand) and term deposits of AED Nil (2021: AED 100,000 thousand) held with banks which are under common control of shareholders.

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Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2022 (continued)

14 Financial assets at Fair value through profit or loss (FVTPL)

	30 June 2022 AED'000 Unaudited	31 December 2021 AED'000 Audited
Investment in National Bonds	100,000	100,000

During the year 2021, the Group made an investment of AED 100 million in National Bonds for a tenure of 1 year. As of 30 June 2022 the fair value of the investment in National Bonds approximates to carrying value. Fair value hierarchy is disclosed in Note 26.

15 Cash and cash equivalents

	30 June 2022 AED'000 Unaudited	31 December 2021 AED'000 Audited
Cash in hand	589	589
Cash at bank	256,594	244,286
Short term bank deposits –3 months and less	1,577,600	1,000,713
	1,834,783	1,245,588

Bank balances are held with branches of local and international banks. Short-term bank deposits bear an effective interest rate of 2022: 1.03% per annum (2021: 0.96% per annum).

Term deposits are presented as cash equivalents only if they have a maturity of three month or less from the date of original maturity or are readily convertible to known amounts of cash which are subject to insignificant risk of changes in value.

For purposes of the interim condensed consolidated statement of cash flows, cash and cash equivalents comprise the following:

	30 June 2022 AED'000 Unaudited	31 December 2021 AED'000 Audited
Cash and bank	2,158,383	1,360,388
Less: short term deposits more than 3 months	(323,600)	(114,800)
	1,834,783	1,245,588

Emirates Central Cooling Systems Corporation

Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2022 (continued)

16 Bank borrowings

	30 June 2022 AED'000 Unaudited	31 December 2021 AED'000 Audited
Term loan	2,912,985	1,994,747
Unamortised loan cost	(5,742)	(6,862)
Total	2,907,243	1,987,885
Less: current portion	(2,023,527)	(1,000,219)
Non-current portion	883,716	987,666

On 29 March 2022, the Group entered into a new bridge loan facility to finance the acquisition of Dubai Airports district cooling assets acquisition with Dubai Islamic Bank PJSC, a related party, amounting to US\$ 250,000 thousand (AED 918,125 thousand) with a tenor of 1 year from utilisation date with a profit rate of Libor + margin. The amount was fully drawn down on 31 March 2022.

The maturity profile of the borrowings is as follows:

	30 June 2022 AED'000 Unaudited	31 December 2021 AED'000 Audited
Within one year	1,971,229	1,020,472
After one year but not more than five years	1,041,583	1,020,632
	3,012,812	2,041,104

The movement in bank borrowings during the period:

	30 June 2022 AED'000 Unaudited	31 December 2021 AED'000 Audited
At the beginning of the period/year	1,994,747	1,329,582
Drawdown during the period/year	918,238	918,212
Interest expense during the period/year	19,360	20,063
Interest paid during the period/year	(19,360)	(20,063)
Principal repayment during the period/year	-	(253,047)
Amortisation	(5,742)	(6,862)
At the end of the period/year	2,907,243	1,987,885

The Group has an outstanding balance in payment guarantees amounting to AED 5,142,396 (2021: AED 376,697) which is fully payable to Emirates NBD PJSC, a related party for the Group.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing ranges between one to six months. The fair value of current borrowings equals their carrying amount, as the impact of discounting is nullified with the floating rate interest arrangement for such borrowings.

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Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2022 (continued)

17 Trade and other payables

	30 June 2022 AED'000 Unaudited	31 December 2021 AED'000 Audited
Refundable customers' security deposits	404,790	381,590
Deferred revenue	334,614	335,556
Project cost accruals	289,743	339,088
Project payables	123,105	110,536
Retentions payable	97,043	99,554
Other liabilities*	396,748	254,003
	1,646,043	1,520,327
Less: Non-current portion retentions payable	(20,114)	(35,318)
Current portion	1,625,929	1,485,009

*Other liabilities include accrued expenses for water, electricity, staff liabilities etc.

Movement in deferred revenue is as follows:

	30 June 2022 AED'000 Unaudited	30 June 2021 AED'000 Unaudited
At the beginning of the period	335,556	296,031
Billed during the period	549,502	608,900
Less: Income recognised during the period	(550,444)	(525,353)
At the end of the period	334,614	379,578

Terms and conditions of the financial liabilities:

Trade payables and other financial liabilities are non-interest bearing and are normally settled on 60-90 day terms. Retentions payable are non-interest bearing and are normally settled in accordance with the terms of the contacts.

Revenue recognized in relation to deferred revenue

The following table shows how much of the revenue recognised in the current reporting period which relates to carried-forward contract liabilities and revenue which relates to performance obligations that were satisfied in a prior year:

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Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2022 (continued)

17 Trade and other payables (continued)

	30 June 2022 AED'000 Unaudited	30 June 2021 AED'000 Unaudited
<i>Revenue recognised that was included in the contract liability balance at the beginning of the period/year</i>	49,478	18,612

18 Revenue

	Three-month period ended 30 June		Six-month period ended 30 June	
	2022 AED'000 Unaudited	2021 AED'000 Unaudited and not reviewed	2022 AED'000 Unaudited	2021 AED'000 Unaudited
District cooling services	687,211	595,545	1,153,098	991,601
Pre-insulated pipe	775	623	1,159	1,513
	687,986	596,168	1,154,257	993,114

During the six-month period ended 30 June 2022, the Group recognised revenue from Empower Snow LLC (formerly Snow LLC), which was acquired in December 2021, amounting to AED 49,135 thousand (30 June 2021: nil).

19 Operating segments

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer ('CEO') who makes strategic decisions.

Management 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 operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

The CEO is also provided with multiple levels of information which comprise of revenue, gross profit and net profit, aggregated for higher level components by stream. The financial accounting system of the Group is currently configured in this manner and this information is readily available. However, for decision making purposes, the CEO relies mainly on the revenue and net profit information that contains lower level components. Hence, the segment information provided is primarily to the net profit level of the Group.

For management purposes, the Group is organised 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 'Pre-insulated pipe business' segment is involved in manufacture, assemble and selling activities relating to the expansion of the Group's chilled water business.

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Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2022 (continued)

19 Operating segments (continued)

	Six-month period ended 30 June 2022 (unaudited)				Six-month period ended 30 June 2021 (unaudited)			
	Pre-insulated				Pre-insulated			
	Chilled water	pipe	Elimination	Total	Chilled water	pipe	Elimination	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Revenues								
External revenue	1,153,099	1,158	-	1,154,257	991,601	1,513	-	993,114
Interest earned on financial asset	9,251	-	-	9,251	-	-	-	-
Inter-segment revenue	-	13,125	(13,125)	-	-	14,710	(14,710)	-
Total revenues	1,162,350	14,283	(13,125)	1,163,508	991,601	16,223	(14,710)	993,114
Cost of sales	(613,334)	(9,184)	7,343	(615,175)	(517,979)	(12,033)	9,601	(520,411)
Gross profit	549,016	5,099	(5,782)	548,333	473,622	4,190	(5,109)	472,703
General and administrative expenses	(100,765)	(3,643)	-	(104,408)	(88,559)	(2,907)	-	(91,466)
Net impairment loss on financial assets	(7,395)	-	-	(7,395)	-	-	-	-
Other income	2,279	429	-	2,708	7,585	236	-	7,821
Operating profit	443,135	1,885	(5,782)	439,238	392,648	1,519	(5,109)	389,058
Finance income	11,457	379	-	11,836	4,166	499	-	4,665
Finance costs	(19,360)	-	-	(19,360)	(4,604)	-	-	(4,604)
Net profit for the period	435,232	2,264	(5,782)	431,714	392,210	2,018	(5,109)	389,119

Inter-segment transaction are eliminated on consolidation

Emirates Central Cooling Systems Corporation

Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2022 (continued)

19 Operating segments (continued)

Segment results include an amount of depreciation and amortisation allocated to the operating segments as follows:

	Six-month period ended 30 June 2022 (unaudited)			Six-month period ended 30 June 2021 (unaudited)		
	Pre-insulated		Total AED'000	Pre-insulated		Total AED'000
	Chilled water AED'000	pipe AED'000		Chilled water AED'000	pipe AED'000	
Depreciation on property, plant and equipment (Note 6)	155,243	1,848	157,091	147,817	1,033	148,850
Depreciation on right-of-use assets	2,321	-	2,321	3,173	-	3,173
Depreciation on intangible asset (Note 7)	6,078	-	6,078	-	-	-
Total Depreciation	163,642	1,848	165,490	150,990	1,033	152,023

Segment assets and liabilities are as follows:

	30 June 2022 (Unaudited)			31 December 2021 (Audited)		
	Pre-insulated		Total AED'000	Pre-insulated		Total AED'000
	Chilled water AED'000	pipe AED'000		Chilled water AED'000	pipe AED'000	
Segment assets	10,399,842	83,393	10,483,235	9,463,091	80,318	9,543,409
Investment in joint venture	307	-	307	307	-	307
Total assets	10,400,149	83,393	10,483,542	9,463,398	80,318	9,543,716
Total liabilities	5,125,742	1,070	5,126,812	4,111,761	1,063	4,112,824

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Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2022 (continued)

19 Operating segments (continued)

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

	Six-month period ended 30 June 2022 (unaudited)			Six-month period ended 30 June 2021 (unaudited)		
	Pre-insulated		Total AED'000	Pre-insulated		Total AED'000
	Chilled water AED'000	pipe AED'000		Chilled water AED'000	pipe AED'000	
Property, plant and equipment	179,624	-	179,624	317,041	(2,033)	315,008

Geographic information

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

	Revenue		Non-current assets	
	30 June 2022 (unaudited) AED'000	30 June 2021 (unaudited) AED'000	30 June 2022 (unaudited) AED'000	31 December 2021 (audited) AED'000
United Arab Emirates	1,154,257	993,114	7,784,147	7,774,283

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Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2022 (continued)

20 Cost of sales

	Three-month period ended 30 June		Six-month period ended 30 June	
	2022	2021	2022	2021
	AED'000	AED'000	AED'000	AED'000
	Unaudited	Unaudited and not reviewed	Unaudited	Unaudited
Utilities cost	289,467	211,699	411,573	310,939
Depreciation on property, plant and equipment (Note 6)	75,390	74,608	153,540	145,869
Staff costs (Note 22)	8,209	9,080	18,201	18,549
Amortisation of intangible asset (Note 7)	3,039	-	6,078	-
Depreciation on right-of-use assets	618	1,151	1,236	2,324
Materials	490	644	700	977
Others	2,669	15,649	23,847	41,753
	379,882	312,831	615,175	520,411

21 General and administrative expenses

	Three-month period ended 30 June		Six-month period ended 30 June	
	2022	2021	2022	2021
	AED'000	AED'000	AED'000	AED'000
	Unaudited	Unaudited and not reviewed	Unaudited	Unaudited
Staff costs (Note 22)	38,784	32,446	74,960	66,207
Depreciation on property, plant and equipment (Note 6)	2,076	1,509	3,551	2,981
Board of directors' remuneration	1,562	1,562	3,125	3,125
Consultancy	1,532	1,225	2,412	1,906
Communication expenses	1,462	2,427	5,531	7,050
Advertising and marketing expenses	852	171	1,354	608
Depreciation on right-of-use assets	545	340	1,084	849
Rent	125	121	263	258
Business travel	-	-	37	-
Others	5,528	3,207	12,091	8,482
	52,466	43,008	104,408	91,466

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Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2022 (continued)

22 Staff costs

	Three-month period ended 30 June		Six-month period ended 30 June	
	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000
	Unaudited	Unaudited and not reviewed	Unaudited	Unaudited
Salaries	29,802	25,174	59,074	52,668
Staff benefits	15,764	15,040	31,376	29,493
End of service benefits	1,427	1,312	2,711	2,595
	46,993	41,526	93,161	84,756
Staff costs have been charged to:				
Cost of sales (Note 20)	8,209	9,080	18,201	18,549
General and administrative expenses (Note 21)	38,784	32,446	74,960	66,207
	46,993	41,526	93,161	84,756

23 Guarantees

At 30 June 2022, the Group had outstanding bank guarantees and letters of credits amounting to AED 5,142,396 (31 December 2021: AED 376,697), which were issued by the Group's bankers in the normal course of business.

24 Commitments

(a) Capital commitments

As at 30 June 2022, the Group has project commitments of AED 583,212 thousand (31 December 2021: AED 610,685 thousand) for projects-in-progress. These commitments represent the value of contracts issued as of 30 June 2022, net of invoices recorded and accruals made as of that date.

(b) Operating lease commitments

The Group has leased office building under non-cancellable operating lease agreement. The future minimum lease payments under the lease are as follows:

	30 June 2022 AED'000 Unaudited	31 December 2021 AED'000 Audited
Not later than 1 year	354	409
Later than 1 year and no later than 5 years	52	118
	406	527

Emirates Central Cooling Systems Corporation

Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2022 (continued)

25 Earning per share

	Three-month period ended 30 June		Six-month period ended 30 June	
	2022		2021	
	AED'000	AED'000	AED'000	AED'000
	Unaudited	Unaudited and not reviewed	Unaudited	Unaudited
Profit attributable to owners of the parent	250,420	246,521	431,646	389,058
Number of ordinary shares for basic EPS	1,000,000	1,000,000	1,000,000	1,000,000
Basic and diluted earnings per share	0.250	0.246	0.431	0.389

26 Fair value measurement

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: inputs that are quoted market price (unadjusted) in an active market for identical instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted market prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: inputs that are unobservable. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The table below analyses financial instruments, measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

30 June 2022	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Financial assets at fair value through profit or loss (Note 14)	-	100,000	-	100,000
Financial assets at fair value through other comprehensive income (Note 9)	54,120	-	-	54,120
	54,120	100,000	-	154,120

Emirates Central Cooling Systems Corporation

Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2022 (continued)

26 Fair value measurement (continued)

<i>31 December 2021</i>	Level 1	Level 2	Level 3	Total
	AED'000	AED'000	AED'000	AED'000
Financial assets at fair value through profit or loss (Note 14)	-	100,000	-	100,000
Financial assets at fair value through other comprehensive income (Note 9)	58,113	-	-	58,113
	58,113	100,000	-	158,113

There were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments; and
- for other financial instruments - discounted cash flow analysis. All of the resulting fair value estimates are included in level 2.

27 Subsequent events

Bridge Loan – US\$ 250m (AED 918m) termination date extension

On 7 July 2022, the Corporation signed an amendment letter on bridge loan facility agreement with Emirates NBD PJSC for extending the termination date of the facility to 14 October 2022. The original maturity of the bridge loan facility was 14 July 2022.

28 Seasonality of operations

The Group's financial results for any period are not necessarily indicative of results to be expected for the full year. Interim period revenues and earnings are typically sensitive to the weather conditions.

Emirates Central Cooling Systems Corporation

Interim condensed consolidated financial statements
For the three-month and nine-month periods ended 30 September
2022 (unaudited)

Emirates Central Cooling Systems Corporation

Interim condensed consolidated financial statements
For the three-month and nine-month periods ended 30 September 2022
(unaudited)

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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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Jacques Fakhoury, Douglas O'Mahony, Murad Alnsour and Rami Sarhan are registered as practising auditors with the UAE Ministry of Economy

Emirates Central Cooling Systems Corporation

Interim condensed consolidated statement of financial position

		As at	
		30 September 2022 AED'000 Unaudited	31 December 2021 AED'000 Audited
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment	6	6,978,831	7,032,991
Right-of-use assets		11,764	13,412
Investment properties	10	72,859	-
Intangible assets	7	355,179	364,296
Investment in a joint venture		307	307
Financial assets at amortised cost	8	302,055	305,164
Financial assets at fair value through other comprehensive income	9	53,278	58,113
		7,774,273	7,774,283
Current assets			
Inventories		39,985	27,018
Trade and other receivables	11	441,100	274,498
Due from related parties	13	16,571	3,618
Financial assets at amortised cost	8	4,100	3,911
Financial assets at fair value through profit or loss	14	100,000	100,000
Term deposits	15	12,100	114,800
Cash and cash equivalents	15	1,145,275	1,245,588
		1,759,131	1,769,433
Total assets		9,533,404	9,543,716
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to owners of the Parent			
Share capital		1,000,000	1,000,000
Statutory reserve		500,000	500,000
Other reserves		(811)	2,741
Retained earnings		1,175,984	3,844,024
Contributed capital		82,190	82,190
		2,757,363	5,428,955
Non-controlling interests		2,019	1,937
Total equity		2,759,382	5,430,892
LIABILITIES			
Non-current liabilities			
Bank borrowings	16	4,488,891	987,666
Lease liabilities		10,682	11,939
Government grant		309,033	370,890
Provision for employees' end of service benefits		51,534	49,703
Retentions payable	17	24,336	35,318
		4,884,476	1,455,516
Current liabilities			
Trade and other payables	17	1,676,570	1,485,009
Due to related parties	13	207,381	166,287
Bank borrowings	16	-	1,000,219
Government grant		3,170	2,780
Lease liabilities		2,425	3,013
		1,889,546	2,657,308
Total liabilities		6,774,022	4,112,824
Total equity and liabilities		9,533,404	9,543,716

To the best of our knowledge, the interim condensed consolidated financial statements are prepared, in all material respects, in accordance with IAS 34. The interim condensed consolidated financial statements were approved by the Board of Directors on 14 Oct 2022 and were signed on its behalf by:

.....
Chief Executive Officer

.....
Chairman

Emirates Central Cooling Systems Corporation

Interim condensed consolidated statement of comprehensive income

	Note	Three-month period ended 30 September		Nine-month period ended 30 September	
		2022	2021	2022	2021
		AED'000	AED'000	AED'000	AED'000
		Unaudited	Unaudited and not reviewed	Unaudited	Unaudited and not reviewed
Revenue	18	918,817	813,668	2,073,074	1,806,782
Interest income on financial asset at amortised cost	8	4,676	-	13,927	-
Cost of sales	20	(562,513)	(499,426)	(1,177,688)	(1,019,837)
Gross profit		360,980	314,242	909,313	786,945
General and administrative expenses	21	(49,203)	(44,778)	(153,611)	(136,244)
Provision for expected credit losses	11	-	236	(7,395)	236
Other income		2,104	1,552	4,812	9,373
Operating profit		313,881	271,252	753,119	660,310
Finance income		12,336	1,907	24,172	6,572
Finance costs		(25,889)	(2,094)	(45,249)	(6,698)
Finance costs – net		(13,553)	(187)	(21,077)	(126)
Net profit for the period		300,328	271,065	732,042	660,184
Profit attributable to:					
Owners of the Parent		300,314	271,049	731,960	660,107
Non-controlling interests		14	16	82	77
		300,328	271,065	732,042	660,184
Basic and diluted earnings per share for profit attributable to the owners of the Parent (AED)	26	0.300	0.271	0.732	0.660
Profit for the period		300,328	271,065	732,042	660,184
<i>Items that will not be reclassified to profit or loss</i>					
Other comprehensive income / (loss) for the period		2,324	(281)	(3,552)	1,125
Total comprehensive income for the period		302,652	270,784	728,490	661,309
Total comprehensive income attributable to:					
Owners of the Parent		302,638	270,768	728,408	661,232
Non-controlling interests		14	16	82	77
		302,652	270,784	728,490	661,309

Emirates Central Cooling Systems Corporation

Interim condensed consolidated statement of changes in equity

	Note	Attributable to shareholders of the Parent					Non-controlling interests AED'000	Total AED'000
		Share capital AED'000	Statutory reserve AED'000	Other reserves AED'000	Retained earnings AED'000	Contributed capital AED'000		
At 1 January 2022		1,000,000	500,000	2,741	3,844,024	82,190	1,937	5,430,892
Total comprehensive income for the period								
Profit for the period		-	-	-	731,960	-	82	732,042
Other comprehensive income								
Other comprehensive loss for the period		-	-	(3,552)	-	-	-	(3,552)
Total comprehensive income for the period		-	-	(3,552)	731,960	-	82	728,490
Transaction with owners in their capacity as owners:								
Dividends	12	-	-	-	(3,400,000)	-	-	(3,400,000)
At 30 September 2022 (unaudited)		1,000,000	500,000	(811)	1,175,984	82,190	2,019	2,759,382
At 1 January 2021		1,000,000	500,000	2,281	3,208,164	82,190	2,115	4,794,750
Total comprehensive income for the period								
Profit for the period		-	-	-	660,107	-	77	660,184
Other comprehensive income								
Other comprehensive income for the period		-	-	1,125	-	-	-	1,125
Total comprehensive income for the period		-	-	1,125	660,107	-	77	661,309
Transaction with owners in their capacity as owners:								
Dividends	12	-	-	-	(300,000)	-	(300)	(300,300)
At 30 September 2021 (unaudited)		1,000,000	500,000	3,406	3,568,271	82,190	1,892	5,155,759

Emirates Central Cooling Systems Corporation
Interim condensed consolidated statement of cash flows

		Nine-month period ended 30 September	
		2022	2021
		AED'000	AED'000
	Note	Unaudited	Unaudited and not reviewed
Cash flows from operating activities			
Profit for the period		732,042	660,184
Adjustments for:			
Depreciation on property, plant and equipment	6	230,189	223,868
Depreciation on right-of-use assets		3,468	4,504
Impairment of trade receivables	11	7,395	(236)
Settlement of financial assets	8	16,847	-
Amortisation of intangible assets	7	9,117	-
Loss on disposal of property, plant and equipment		-	(27)
Amortization of borrowings arrangement fee		7,781	1,131
Provision for employees' end of service benefits		3,682	3,455
Interest on lease liability		425	554
Interest on financial asset	8	(13,927)	-
Finance income		(24,172)	(6,572)
Finance costs net of arrangement fee		37,043	5,013
Government grant income		(2,085)	(2,085)
Operating cash flows before changes in working capital and Payment of employees' end of service benefits		1,007,805	889,789
Changes in working capital:			
Inventories		(12,967)	(735)
Trade and other receivables		(191,653)	(105,245)
Due from related parties		(12,953)	(23,136)
Trade and other payables		255,408	(2,254)
Due to related parties		41,094	248,840
Cash generated from operations		1,086,734	1,007,259
Payment of employees' end of service benefits		(568)	(1,144)
Net cash inflow from operating activities		1,086,166	1,006,115
Cash flows from investing activities			
Purchase of property, plant and equipment, net of project cost accruals		(365,445)	(435,320)
Short-term deposits (more than 3 months) redeemed		102,700	6,000
Gain on disposal of property, plant and equipment		-	27
Interest received		24,172	6,572
Net cash outflow from investing activities		(238,573)	(422,721)
Cash flows from financing activities			
Proceeds from bank borrowings net of arrangement fee		5,406,211	-
Repayment of borrowings		(2,912,984)	(84,349)
Lease payments		(4,090)	(5,557)
Interest paid		(37,043)	(5,013)
Dividends paid	12	(3,400,000)	(400,300)
Net cash outflow from financing activities		(947,906)	(495,219)
Net (decrease)/increase in cash and cash equivalents		(100,313)	88,175
Cash and cash equivalents, beginning of the period		1,245,588	1,069,196
Cash and cash equivalents, end of the period	15	1,145,275	1,157,371

Emirates Central Cooling Systems Corporation

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2022

1 Establishment and operations

Emirates Central Cooling Systems Corporation (“EMPOWER”) (“the Corporation”) was established on 23 November 2003 as a corporate entity in accordance with Article 3 of Law No. (10) “Emirates Central Cooling Systems Corporation Incorporation Law for the year 2003” (“the Decree”) and commenced commercial operations on 15 February 2004. The Corporation was established as a joint venture between Dubai Electricity and Water Authority (“DEWA”), which is ultimately owned by the Government of Dubai and the Dubai Development Authority (formerly known as Dubai Creative Cluster Authority) (“the authority”), however, the beneficial interest of the authority was transferred to Tecom Investments FZ-LLC (“TECOM”) effective from inception.

On 23 November 2009 a letter was issued by the Ruler of Dubai allowing DEWA to increase its shareholding to 70% in the Corporation and diluted TECOM’s interest to 30%. This change in the shareholding structure has been formalised through the Decree No. 3 of 2010 issued by the Ruler of Dubai. On 9 May 2022, TECOM transferred its interest of 30% to Emirates Power Investment LLC, an entity under common control through the Decree No. 19 of 2022 issued by the Ruler of Dubai.

The principal activities of the Corporation are provision of district cooling services, management, operation and maintenance of central cooling plants and related distribution networks. The principal office of the Corporation is P.O. Box 8081, Al Hudaiba Awards Building, Dubai, United Arab Emirates.

These interim condensed consolidated financial statements relates to the Corporation and its subsidiaries (collectively referred to as “the Group”). The Corporation has the following principal subsidiaries:

Subsidiary	Principal activity	Beneficial holding	
		2022	2021
Empower Logstor LLC (“ELIPS”)	Manufacturing of pre-insulated pipes, mainly for district cooling.	97.0%	97.0%
Palm District Cooling LLC	Establishing and operating district cooling projects and provide air-conditioning, ventilator and refrigeration services.	99.9%	99.9%
Palm Utilities LLC	Establishing and operating district cooling projects and provide air-conditioning, ventilator and refrigeration services.	99.5%	99.5%
Empower FM LLC	Installations of equipment, installations and supplies for air conditioning, ventilation and purification systems, repairs and maintenance.	100.0%	100.0%
Empower Engineering & Consultancy LLC	Consultancy services for Project Development	100.0%	100.0%
Empower SNOW LLC	Establishing and operating district cooling projects and provide air-conditioning, ventilator and refrigeration services.	100.0%	100.0%

These interim condensed consolidated financial statements for the three-month and nine-month ended 30 September 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 14 October 2022.

Emirates Central Cooling Systems Corporation

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2022 (continued)

1 Establishment and operations (continued)

These interim condensed consolidated financial statements have been reviewed, not audited. The comparative information for the interim condensed consolidated statement of financial position is based on the audited financial statements as at 31 December 2021. The comparative information for the interim condensed consolidated statement of comprehensive income for the three-month and nine-month period 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 as it is the first time the Group has prepared interim condensed consolidated financial statements for the three-month period ended 30 September 2022 and nine-month period ended 30 September 2022.

2 Basis of preparation

These interim condensed consolidated financial statements for the three-month and nine-month ended 30 September 2022 has been prepared in accordance with International Accounting Standard 34 'Interim financial reporting', ("IAS 34").

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.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2021.

As of 30 September 2022, the Group's current liabilities exceeded its current assets by AED 130,415 thousand (31 December 2021: AED 887,875 thousand). The current liabilities also includes deferred revenue amounting to AED 311,539 thousand (Note 17) which is billed to the customer on connection and is expected to be realised as revenue within the next 12 months. The current liabilities also include refundable customer security deposits (Note 17) amounting to AED 412,027 thousand which are only payable on disconnection of service by a customer in the ordinary course of business.

Further, the Group has undrawn long term loan facilities (Note 16) amounting to AED 1,000,000 thousand which are readily available to meet any additional capital needs that might arise.

Management has prepared cash flow projections covering a twelve-month period which take account of the above factors and which indicate that the Group will be able to meet its liabilities as they fall due.

3 Significant accounting policies

The accounting policies applied in the preparation of these interim condensed consolidated financial statements are consistent with those applied by the Group in its recent annual audited consolidated financial statements for the year ended 31 December 2021 except for the adoption of new and amended standards as set out below.

(a) New and amended standards adopted by the Group

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

Emirates Central Cooling Systems Corporation

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2022 (continued)

3 Significant accounting policies (continued)

(b) Impact of standards issued but not yet applied by the Group

The new and amended standards that are issued, but not yet effective, up to the date of issuance of the Group's interim condensed consolidated financial statements are disclosed below:

	Effective date
Classification of Liabilities as Current or Noncurrent – Amendments to IAS 1	1 January 2023
IFRS 17 Insurance Contracts	1 January 2023
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
Definition of Accounting Estimate – Amendments to IAS 8	1 January 2023
IFRS 10 and IAS 28 - Sale or Contribution of Assets between an investor and its Associate or Joint Venture	Effective date deferred indefinitely
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS12	1 January 2023

The Group does not expect the adoption of the above new standards and amendments to have a material impact on the future consolidated financial statements of the Group.

4 Use of estimates and judgments

The preparation of interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the preparation of the consolidated financial statements of the Group as at and for the year ended 31 December 2021.

5 Financial risk management

5.1 Financial risk factors

The Group's activities and borrowings expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and cash flow interest rate risk), credit risk and liquidity risk.

These interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements. As such, they should be read in conjunction with the Group's consolidated financial statements as at 31 December 2021. There have been no changes in any financial risk management policies since year-end.

5.2 Liquidity risk

During the nine-month period ended 30 September 2022, the Group obtained a new bank loan which is disclosed in Note 16. There has been no other material change in the contractual undiscounted cash outflows for financial liabilities during this period.

5.3 Fair value estimation

Financial instruments comprise financial assets and financial liabilities. Financial assets consist of cash and bank balances, trade and other receivables (excluding prepayments) and due from related parties. Financial liabilities consist of trade and other payables (excluding deferred revenue), bank borrowings and due to related parties. The fair values of financial instruments approximate their carrying values.

Emirates Central Cooling Systems Corporation

Notes to the interim condensed consolidated financial statements
for the three-month and nine-month periods ended 30 September 2022 (continued)

6 Property, plant and equipment

	Land AED'000	Plant, equipment and machinery AED'000	Building AED'000	Furniture and fixtures AED'000	Leasehold improvements AED'000	Computer equipment AED'000	Vehicles AED'000	Capital work-in- progress AED'000	Total AED'000
Cost									
At 1 January 2022	494,282	8,032,967	70,037	16,776	11,490	40,902	6,914	842,741	9,516,109
Additions	-	-	-	1,051	186	482	1,865	304,686	308,270
Transfers	-	532,447	-	-	-	861	-	(533,308)	-
Transfers to investment properties (Note 10)	(2,536)	-	-	-	-	-	-	(70,323)	(72,859)
Disposals*	(59,382)	-	-	-	-	-	(225)	-	(59,607)
At 30 September 2022 (unaudited)	432,364	8,565,414	70,037	17,827	11,676	42,245	8,554	543,796	9,691,913
Accumulated depreciation									
At 1 January 2022	-	2,358,259	29,012	15,725	10,821	33,831	5,649	29,821	2,483,118
Charge for the period	-	224,651	2,048	818	182	2,038	452	-	230,189
Disposals	-	-	-	-	-	-	(225)	-	(225)
At 30 September 2022 (unaudited)	-	2,582,910	31,060	16,543	11,003	35,869	5,876	29,821	2,713,082
Net book amount at 30 September 2022 (unaudited)	432,364	5,982,504	38,977	1,284	673	6,376	2,678	513,975	6,978,831

Capital work-in-progress balances include costs of constructing district cooling plants and networks pertaining to various projects. During the nine-month period ended 30 September 2022, the transfer to plant, equipment and machinery from capital work in progress represents additions mainly to four district cooling projects.

*During the period, the Group returned eleven plots of land to related parties amounting to AED 59,382 thousand which were granted to the Group in prior years for the purpose of constructing the district cooling plants. Accordingly, the Group reversed the carrying amount from property, plant and equipment and corresponding deferred government grant.

Emirates Central Cooling Systems Corporation

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2022 (continued)

6 Property, plant and equipment (continued)

Certain district cooling assets with a net book value of AED 280,243 thousand (2021: AED 277,324 thousand) are developed on plots of lands owned by related parties. Management is currently in discussion with these related parties to enter into lease agreements related to these plots.

	Land AED'000	Plant, equipment and machinery AED'000	Building AED'000	Furniture and fixtures AED'000	Leasehold improvements AED'000	Computer equipment AED'000	Vehicles AED'000	Capital work-in- progress AED'000	Total AED'000
Cost									
At 1 January 2021	494,282	7,633,115	70,709	15,803	10,936	39,638	6,337	658,167	8,928,987
Additions	-	-	-	975	554	1,265	730	588,849	592,373
Transfers	-	404,947	-	-	-	-	-	(404,947)	-
Disposals	-	(5,095)	-	(2)	-	(1)	(153)	-	(5,251)
At 31 December 2021 (audited)	494,282	8,032,967	70,709	16,776	11,490	40,902	6,914	842,069	9,516,109
Accumulated depreciation									
At 1 January 2021	-	2,064,333	26,221	14,799	10,656	32,297	5,277	62,149	2,215,732
Charge for the year	-	299,021	2,791	928	165	1,535	525	-	304,965
Impairment reversal	-	-	-	-	-	-	-	(32,328)	(32,328)
Disposals	-	(5,095)	-	(2)	-	(1)	(153)	-	(5,251)
At 31 December 2021 (audited)	-	2,358,259	29,012	15,725	10,821	33,831	5,649	29,821	2,483,118
Net book amount at 31 December 2021 (audited)	494,282	5,674,708	41,697	1,051	669	7,071	1,265	812,248	7,032,991

Emirates Central Cooling Systems Corporation

Notes to the interim condensed consolidated financial statements
for the three-month and nine-month periods ended 30 September 2022 (continued)

6 Property, plant and equipment (continued)

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000
	Unaudited	Unaudited and not reviewed	Unaudited	Unaudited and not reviewed
Depreciation expense has been charged to:				
Cost of sales (Note 20)	71,111	73,558	224,651	219,427
General and administrative expenses (Note 21)	1,987	1,460	5,538	4,441
	73,098	75,018	230,189	223,868

7 Intangible assets

	30 September 2022 AED'000 Unaudited	31 December 2021 AED'000 Audited
At the beginning of the period/year	364,296	-
Additions during the period/year	-	364,696
Amortisation during the period/year	(9,117)	(400)
At the end of the period/year	355,179	364,296

Intangible asset represents right to charge users acquired which are recognized at fair value at acquisition date with a useful life of 30 years.

8 Financial assets at amortised cost

	30 September 2022 AED'000 Unaudited	31 December 2021 AED'000 Audited
At the beginning of the period/year	309,075	-
Additions during the period/year	-	309,204
Interest earned during the period/year	13,927	610
Settlement during the period/year	(16,847)	(739)
At the end of the period/year	306,155	309,075
Less: current portion	(4,100)	(3,911)
Non-current portion	302,055	305,164

The financial assets at amortised cost represents receivable from Nakheel PJSC (Note 13) in relation to acquisition of Empower Snow LLC (formerly Snow LLC) during 2021.

Emirates Central Cooling Systems Corporation

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2022 (continued)

9 Financial assets at fair value through other comprehensive income (FVTOCI)

	30 September 2022 AED'000 Unaudited	31 December 2021 AED'000 Audited
At the beginning of the period/year	58,113	57,653
(Loss) /gain during the period/year	(4,835)	460
At the end of the period/year	53,278	58,113

During the period, the following (loss)/gain was recognised in profit or loss and other comprehensive income for the above financial assets:

	Three-month period ended 30 September 2022 AED'000 Unaudited		Nine-month period ended 30 September 2022 AED'000 Unaudited	
	Unaudited and not reviewed		Unaudited and not reviewed	
(Loss)/gain recognised in other comprehensive income	(842)	(281)	(4,835)	1,125

Financial assets at fair value through other comprehensive income pertains to an investment in Tier 1 Capital Certificates ("Bonds") issued at their par value. The Bonds are listed perpetual instruments and carry non-cumulative interest at a rate of 6% per annum payable every six months at the discretion of the issuer.

The Bonds are classified as equity and at the initial recognition the Group made an irrevocable decision to classify the Bonds as financial assets at fair value through other comprehensive income under IFRS 9 as the Bonds are not held for trading.

10 Investment properties

	30 September 2022 AED'000 Unaudited	31 December 2021 AED'000 Audited
Land and building under construction		
At the beginning of the period	-	-
Transfer from Land (Note 6)	2,536	-
Transfer from property, plant and equipment (Note 6)	70,323	-
At the end of the period/year	72,859	-

The Group started construction of its head quarter project in 2021. The project consists of two towers with common area and retail outlets which are expected to be completed during the last quarter of 2022.

During the period, management revisited its plan of occupation and concluded to occupy only one tower for its use along with its related common area which were initially planned to be occupied for its use. As a result, the carrying amount of one tower and related areas were transferred to investment properties from property, plant and equipment (Note 6).

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Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2022 (continued)

10 Investment properties (continued)

The Group carries investment properties at cost less accumulated depreciation and any accumulated impairment. Investment property under the cost model is impaired if its carrying amount exceeds its recoverable amount.

11 Trade and other receivables

	30 September 2022 AED'000 Unaudited	31 December 2021 AED'000 Audited
Trade receivables	311,577	180,659
Accrued revenues	87,586	27,069
	399,163	207,728
Less: Provision for expected credit losses	(64,227)	(56,832)
	334,936	150,896
<i>Other financial assets at amortised cost</i>		
Other receivables	15,798	10,216
<i>Other assets</i>		
Advance to contractors and suppliers	81,629	99,285
Prepayments	8,737	14,101
	90,366	113,386
	441,100	274,498

The movement in the allowance for impairment of receivables is as follows:

	30 September 2022 AED'000 Unaudited	30 September 2021 AED'000 Audited
At the beginning of the period	56,832	48,264
Charge/(reversal) for the period	7,395	(236)
At the end of the period	64,227	48,028

12 Dividends

A final dividend of AED 500,000 thousand (AED 0.5 per share), in respect of the year ended 31 December 2021, was declared and approved on 10 February 2022 by the Board of Directors of the Group which was paid in April 2022 (2021: a final dividend of AED 300,000 thousand (AED 0.3 per share), in respect of the year ended 31 December 2020 was declared and approved on 19 January 2021 by the Board of Directors of the Group).

An interim dividend of AED 2,900,000 thousand (AED 2.9 per share) was declared and approved on 26 September 2022 by the Board of the Directors of the Group which was paid on 29 September 2022.

13 Transactions and balances with related parties

Related parties include the shareholders, key management personnel, subsidiaries, joint venture, directors and businesses which are controlled directly or indirectly by the shareholders or directors or over which they exercise significant management influence. The Group has availed the exemption as per para 25 of IAS 24 Related Party Disclosure and consider the entities (other than disclosed below) controlled by Government of Dubai as non-related.

Emirates Central Cooling Systems Corporation

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2022 (continued)

13 Transactions and balances with related parties (continued)

(a) Related party transactions

During the period, the Group entered into the following significant transactions with related parties:

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000
	Unaudited	Unaudited and not reviewed	Unaudited	Unaudited and not reviewed
<i>Services rendered to entities under common control of shareholders</i>				
Dubai Properties Group LLC	51,356	56,674	116,819	118,254
Tecom Investments FZ LLC	21,369	19,847	48,953	46,194
Jumeirah Group LLC	16,301	15,458	36,634	35,288
Meraas Holding LLC	13,648	13,667	31,427	21,895
Global Village Dubai LLC	201	210	518	524
	102,875	105,856	234,351	222,155
<i>Dividend to shareholders</i>				
Tecom Investments FZ LLC*	-	-	150,000	90,000
Emirates Power Investment LLC*	870,000	-	870,000	-
Dubai Electricity and Water Authority (DEWA)	2,030,000	-	2,380,000	210,000
	2,900,000	-	3,400,000	300,000
<i>Services received from shareholder</i>				
Dubai Electricity and Water Authority (DEWA)	466,005	397,922	874,724	707,671
<i>Services received from entities under common control of Ultimate Parent</i>				
Finance cost from Emirates NBD PJSC	8,196	1,688	15,936	4,359
<i>Key management remuneration</i>				
Board of directors' remuneration (Note 21)	1,563	1,563	4,688	4,688
<i>Compensation of key management personnel</i>				
Short term benefits	1,255	1,149	3,781	3,462
End of service benefits	130	118	390	354
	1,385	1,267	4,171	3,816
<i>Number of key management personnel</i>				
	1	1	1	1

* On 9 May 2022, TECOM transferred its interest of 30% to Emirates Power Investment LLC, an entity under common control as detailed in Note 1.

Emirates Central Cooling Systems Corporation

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2022 (continued)

13 Transactions and balances with related parties (continued)

(b) Balances with related parties

	30 September 2022 AED'000 Unaudited	31 December 2021 AED'000 Audited
Due from related parties		
<i>Entities under common control of shareholders</i>		
Jumeirah Group LLC	9,265	2,085
Tecom Investments FZ LLC	4,086	-
Meraas Holding LLC	3,121	1,494
Others	99	39
	16,571	3,618
Due to related parties		
<i>Shareholder</i>		
Dubai Electricity and Water Authority (DEWA)	184,999	153,599
<i>Entities under common control of shareholders</i>		
Dubai Properties Group LLC	13,532	2,828
Dubai Holding LLC	3,727	3,708
Tecom Investments FZ LLC	-	668
	17,259	7,204
<i>Others</i>		
Board of directors	4,688	5,050
Others	435	434
	207,381	166,287

The outstanding bank borrowings as at 30 September 2022 includes a balance of AED 4,488,891 thousand (2021: AED 1,002,862 thousand) from Emirates NBD PJSC, an entity under common control.

Other receivables include a balance of AED 4,490 thousand (2021: AED 4,490 thousand) deposit receivable from DEWA (Note 11).

The financial assets at amortised cost (Note 8) represents receivable from Nakheel PJSC, an entity under common control, in relation to acquisition of Empower Snow LLC (formerly Snow LLC) during 2021.

As of 30 September 2022, the cash and cash equivalents includes a balance of AED 1,029,319 thousand (2021: AED 1,155,126 thousand) and term deposits of AED nil (2021: AED 100,000 thousand) held with banks which are under common control of shareholders.

Emirates Central Cooling Systems Corporation

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2022 (continued)

14 Financial assets at fair value through profit or loss (FVTPL)

	30 September 2022 AED'000 Unaudited	31 December 2021 AED'000 Audited
Investment in National Bonds	100,000	100,000

During the year 2021, the Group made an investment of AED 100 million in National Bonds for a tenure of 1 year. As of 30 September 2022, the fair value of the investment in National Bonds approximates to carrying value. Fair value hierarchy is disclosed in Note 27.

15 Cash and cash equivalents

	30 September 2022 AED'000 Unaudited	31 December 2021 AED'000 Audited
Cash in hand	607	589
Cash at bank	777,593	244,286
Short term bank deposits –3 months and less	367,075	1,000,713
	1,145,275	1,245,588

Bank balances are held with branches of local and international banks. Short-term bank deposits bear an effective interest rate of 2022: 1.58% per annum (2021: 0.80% per annum).

Term deposits are presented as cash equivalents only if they have a maturity of three month or less from the date of original maturity or are readily convertible to known amounts of cash which are subject to insignificant risk of changes in value.

For purposes of the interim condensed consolidated statement of cash flows, cash and cash equivalents comprise the following:

	30 September 2022 AED'000 Unaudited	31 December 2021 AED'000 Audited
Cash and bank	1,157,375	1,360,388
Less: short term deposits more than 3 months	(12,100)	(114,800)
	1,145,275	1,245,588

Emirates Central Cooling Systems Corporation

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2022 (continued)

16 Bank borrowings

	30 September 2022 AED'000 Unaudited	31 December 2021 AED'000 Audited
Term loan	4,500,000	1,994,747
Unamortised loan cost	(11,109)	(6,862)
Total	4,488,891	1,987,885
Less: current portion	-	(1,000,219)
Non-current portion	4,488,891	987,666

On 26 September 2022, the Group entered into term facility agreements with Emirates NBD PJSC, an entity under common control for AED 5,500,000 thousand. The facilities are guaranteed by the Corporation and Palm District Cooling LLC. Following are the terms of each facility agreement:

Facility	Term	Interest rate	Amount (AED'000)
A1- conventional	3 Years	EIBOR + Margin	1,375,000
A2 - conventional	5 Years	EIBOR + Margin	1,375,000
B1 - Islamic	3 Years	EIBOR + Margin	1,375,000
B2- Islamic	5 Years	EIBOR + Margin	1,375,000
Total			5,500,000

The exposure of the Group's borrowings to interest rate changes and the contractual repricing ranges between one to twelve months. The Group's borrowings are not exposed to interbank offer rate (IBOR). The maturity profile of the borrowings is as follows:

	30 September 2022 AED'000 Unaudited	31 December 2021 AED'000 Audited
Within one year	173,143	1,020,472
After one year but not more than three years	3,096,985	512,467
More than 3 years	1,889,561	508,165
	5,159,689	2,041,104

The movement in bank borrowings during the period:

	30 September 2022 AED'000 Unaudited	30 September 2021 AED'000 Unaudited and not reviewed	31 December 2021 AED'000 Audited
At the beginning of the period/year	1,994,747	1,329,582	1,329,582
Drawdown during the period/year*	5,418,238	-	918,212
Interest expense during the period/year	44,824	5,013	20,063
Interest paid during the period/year	(44,824)	(5,013)	(20,063)
Principal repayment during the period/year	(2,912,984)	(84,349)	(253,047)
Amortisation	(11,110)	(6,411)	(6,862)
At the end of the period/year	4,488,891	1,238,822	1,987,885

Emirates Central Cooling Systems Corporation

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2022 (continued)

16 Bank borrowings (continued)

* On 29 March 2022, the Group entered into a new bridge loan facility to finance the acquisition of Dubai Airports district cooling assets acquisition with Dubai Islamic Bank PJSC, a related party, amounting to US\$ 250,000 thousand (AED 918,125 thousand) with a tenor of 1 year from utilisation date with a profit rate of Libor + margin. The amount was fully drawn down on 31 March 2022. The Group utilised AED 4,500,000 thousand from the new long term loan facility and repaid its exiting borrowings amounting to AED 2,912,984 thousand.

The fair value of current borrowings equals their carrying amount, as the impact of discounting is nullified with the floating rate interest arrangement for such borrowings.

17 Trade and other payables

	30 September 2022 AED'000 Unaudited	31 December 2021 AED'000 Audited
Refundable customers' security deposits	412,027	381,590
Deferred revenue	311,539	335,556
Project cost accruals	291,895	339,088
Project payables	80,741	110,536
Retentions payable	101,713	99,554
Other liabilities*	502,991	254,003
	1,700,906	1,520,327
Less: Non-current portion retentions payable	(24,336)	(35,318)
Current portion	1,676,570	1,485,009

*Other liabilities include accrued expenses for water, electricity, staff liabilities etc.

Movement in deferred revenue is as follows:

	30 September 2022 AED'000 Unaudited	30 September 2021 AED'000 Unaudited and not reviewed
At the beginning of the period	335,556	296,031
Billed during the period	830,165	851,848
Less: Income recognised during the period	(854,182)	(820,405)
At the end of the period	311,539	327,474

Terms and conditions of the financial liabilities:

Trade payables and other financial liabilities are non-interest bearing and are normally settled on 60–90-day terms. Retentions payables are non-interest bearing and are normally settled in accordance with the terms of the contacts.

Revenue recognized in relation to deferred revenue

The table overleaf shows the revenue recognised in the current reporting period which relates to carried-forward contract liabilities and revenue which relates to performance obligations that were satisfied in a prior year:

Emirates Central Cooling Systems Corporation

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2022 (continued)

17 Trade and other payables (continued)

	30 September 2022 AED'000 Unaudited	30 September 2021 AED'000 Unaudited and not reviewed
<i>Revenue recognised that was included in the contract liability balance at the beginning of the period</i>	83,770	82,525

18 Revenue

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2022 AED'000 Unaudited	2021 AED'000 Unaudited and not reviewed	2022 AED'000 Unaudited	2021 AED'000 Unaudited and not reviewed
District cooling services	911,703	810,103	2,064,801	1,801,704
Pre-insulated pipe	7,114	3,565	8,273	5,078
	918,817	813,668	2,073,074	1,806,782

During the nine-month period ended 30 September 2022, the Group recognised district cooling services revenue from Empower Snow LLC (formerly Snow LLC), which was acquired in December 2021, amounting to AED 85,420 thousand (30 September 2021: nil).

19 Operating segments

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer ('CEO') who makes strategic decisions.

Management 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 operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

The CEO is also provided with multiple levels of information which comprise of revenue, gross profit and net profit, aggregated for higher level components by stream. The financial accounting system of the Group is currently configured in this manner and this information is readily available. However, for decision making purposes, the CEO relies mainly on the revenue and net profit information that contains lower-level components. Hence, the segment information provided is primarily to the net profit level of the Group.

For management purposes, the Group is organised 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 'Pre-insulated pipe business' segment is involved in manufacturing, assembling and selling activities relating to the expansion of the Group's chilled water business.

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Notes to the interim condensed consolidated financial statements
for the three-month and nine-month periods ended 30 September 2022 (continued)

19 Operating segments (continued)

	Nine-month period ended 30 September 2022 (unaudited)				Nine-month period ended 30 September 2021 (unaudited and not reviewed)			
	Chilled water AED'000	Pre-insulated pipe AED'000	Elimination AED'000	Total AED'000	Chilled water AED'000	Pre-insulated pipe AED'000	Elimination AED'000	Total AED'000
Revenues								
External revenue	2,064,801	8,273		2,073,074	1,801,704	5,078		1,806,782
Inter-segment revenue	-	13,638	(13,638)	-	-	18,702	(18,702)	-
Total revenues	2,064,801	21,911	(13,638)	2,073,074	1,801,704	23,780	(18,702)	1,806,782
Interest earned on financial asset	13,927	-	-	13,927	-	-	-	-
Cost of sales	(1,170,219)	(15,075)	7,606	(1,177,688)	(1,014,267)	(17,950)	12,380	(1,019,837)
Gross profit	908,509	6,836	(6,032)	909,313	787,437	5,830	(6,322)	786,945
General and administrative expenses	(148,138)	(5,473)	-	(153,611)	(131,748)	(4,496)	-	(136,244)
Net impairment loss on financial assets	(7,395)	-	-	(7,395)	-	236	-	236
Other income	4,051	761	-	4,812	9,127	246	-	9,373
Operating profit	757,027	2,124	(6,032)	753,119	664,816	1,816	(6,322)	660,310
Finance income	23,556	616	-	24,172	5,806	766	-	6,572
Finance costs	(45,249)	-	-	(45,249)	(6,698)	-	-	(6,698)
Net profit for the period	735,334	2,740	(6,032)	732,042	663,924	2,582	(6,322)	660,184

Inter-segment transaction are eliminated on consolidation.

Emirates Central Cooling Systems Corporation

Notes to the interim condensed consolidated financial statements
for the three-month and nine-month periods ended 30 September 2022 (continued)

19 Operating segments (continued)

Segment results include an amount of depreciation and amortisation allocated to the operating segments as follows:

	Nine-month period ended 30 September 2022 (Unaudited)			Nine-month period ended 30 September 2021 (Unaudited and not reviewed)		
	Chilled water	Pre-insulated pipe	Total	Chilled water	Pre-insulated pipe	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Depreciation on property, plant and equipment (Note 6)	227,572	2,617	230,189	220,798	3,070	223,868
Depreciation on right-of-use assets	3,468	-	3,468	4,504	-	4,504
Amortisation on intangible asset (Note 7)	9,117	-	9,117	-	-	-
Total depreciation and amortisation	240,157	2,617	242,774	225,302	3,070	228,372

Segment assets and liabilities are as follows:

	30 September 2022 (Unaudited)			31 December 2021 (Audited)		
	Chilled water	Pre-insulated pipe	Total	Chilled water	Pre-insulated pipe	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Segment assets	9,446,527	86,570	9,533,097	9,463,091	80,318	9,543,409
Investment in joint venture	307	-	307	307	-	307
Total assets	9,446,834	86,570	9,533,404	9,463,398	80,318	9,543,716
Total liabilities	6,758,760	15,262	6,774,022	4,101,075	11,749	4,112,824

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Notes to the interim condensed consolidated financial statements
for the three-month and nine-month periods ended 30 September 2022 (continued)

19 Operating segments (continued)

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

	Nine-month period ended 30 September 2022 (Unaudited)			Nine-month period ended 30 September 2021 (Unaudited and not reviewed)		
	Chilled water	Pre-insulated pipe	Total	Chilled water	Pre-insulated pipe	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Property, plant and equipment	366,558	(1,113)	365,445	437,201	(1,881)	435,320

Geographic information

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

	Revenue		Non-current assets	
	30 September 2022	30 September 2021	30 September 2022	31 December 2021
	(Unaudited) AED'000	(Unaudited and not reviewed) AED'000	(Unaudited) AED'000	(Audited) AED'000
United Arab Emirates	2,073,074	1,806,782	7,774,273	7,774,283

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Notes to the interim condensed consolidated financial statements
for the three-month and Nine-month periods ended 30 September 2022 (continued)

20 Cost of sales

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2022	2021	2022	2021
	AED'000	AED'000	AED'000	AED'000
	Unaudited	Unaudited and not reviewed	Unaudited	Unaudited and not reviewed
Utilities cost	468,930	400,428	880,503	711,367
Depreciation on property, plant and equipment (Note 6)	71,111	73,558	224,651	219,427
Staff costs (Note 22)	9,027	10,374	27,228	28,923
Materials	4,395	2,201	5,095	3,178
Amortisation of intangible asset (Note 7)	3,039	-	9,117	-
Depreciation on right-of-use assets	602	1,288	1,838	3,612
Others	5,409	11,577	29,256	53,330
	562,513	499,426	1,177,688	1,019,837

21 General and administrative expenses

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2022	2021	2022	2021
	AED'000	AED'000	AED'000	AED'000
	Unaudited	Unaudited and not reviewed	Unaudited	Unaudited and not reviewed
Staff costs (Note 22)	36,836	36,639	111,796	102,846
Depreciation on property, plant and equipment (Note 6)	1,987	1,460	5,538	4,441
Board of directors' remuneration	1,563	1,563	4,688	4,688
Advertising and marketing expenses	917	1,856	2,271	2,464
Communication expenses	767	1,029	6,298	8,079
Depreciation on right-of-use assets	546	43	1,630	892
Business travel	411	18	448	18
Consultancy	381	918	2,793	2,824
Rent	123	121	386	379
Others	5,672	1,131	17,763	9,613
	49,203	44,778	153,611	136,244

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Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2022 (continued)

22 Staff costs

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2022	2021	2022	2021
	AED'000	AED'000	AED'000	AED'000
	Unaudited	Unaudited and not reviewed	Unaudited	Unaudited and not reviewed
Salaries	29,135	27,360	88,209	80,028
Staff benefits	15,758	18,793	47,133	48,286
End of service benefits	970	860	3,682	3,455
	45,863	47,013	139,024	131,769
Staff costs have been charged to:				
Cost of sales (Note 20)	9,027	10,374	27,228	28,923
General and administrative expenses (Note 21)	36,836	36,639	111,796	102,846
	45,863	47,013	139,024	131,769

23 Guarantees

At 30 September 2022, the Group had outstanding bank guarantees and letters of credits amounting to AED 4,885 thousand (31 December 2021: AED 377 thousand), which were issued by the Group's bankers in the normal course of business.

24 Commitments

(a) Capital commitments

As at 30 September 2022, the Group has project commitments of AED 551,711 thousand (31 December 2021: AED 610,685 thousand) for projects-in-progress. These commitments represent the value of contracts issued as of 30 September 2022, net of invoices recorded and accruals made as of that date.

25 Operating lease commitments

The Group has leased an office building under non-cancellable operating lease agreement. The future minimum lease payments under the lease are as follows:

	30 September 2022	31 December 2021
	AED'000	AED'000
	Unaudited	Audited
Not later than 1 year	265	409
Later than 1 year and no later than 5 years	20	118
	285	527

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Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2022 (continued)

26 Earning per share

	Three-month period ended 30 September 2022		Nine-month period ended 30 September 2021	
	Unaudited	Unaudited and not reviewed	Unaudited	Unaudited and not reviewed
Profit attributable to owners of the parent (AED '000)	300,314	271,049	731,960	660,107
Weighted average number of ordinary shares for basic and diluted EPS	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Basic and diluted earnings per share (AED)	0.300	0.271	0.732	0.660

27 Fair value measurement

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: inputs that are quoted market price (unadjusted) in an active market for identical instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted market prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: inputs that are unobservable. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The table below analyses financial instruments, measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

30 September 2022	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Financial assets at fair value through profit or loss (Note 14)	-	100,000	-	100,000
Financial assets at fair value through other comprehensive income (Note 9)	53,278	-	-	53,278
	53,278	100,000	-	153,278

Emirates Central Cooling Systems Corporation

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2022 (continued)

27 Fair value measurement (continued)

<i>31 December 2021</i>	Level 1	Level 2	Level 3	Total
	AED'000	AED'000	AED'000	AED'000
Financial assets at fair value through profit or loss (Note 14)	-	100,000	-	100,000
Financial assets at fair value through other comprehensive income (Note 9)	58,113	-	-	58,113
	58,113	100,000	-	158,113

There were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments; and
- for other financial instruments - discounted cash flow analysis. All of the resulting fair value estimates are included in level 2.

28 Seasonality of operations

The Group's financial results for any period are not necessarily indicative of results to be expected for the full year. Interim period revenues and earnings are typically sensitive to the weather conditions.

29 Subsequent events

As stated in Note 2, as part of the Corporation's plan to list its shares on the Dubai Financial Market, Decree No. (22) of 2022 (the "Decree") was issued by the Ruler of Dubai on 14 October 2022 amending the legal status of the Corporation to a Public Joint Stock Company and hence the revised name of the Corporation is Emirates Central Cooling Systems Corporation P.J.S.C.

Further, the Decree structured the share capital of the Corporation as follows:

Number of shares	10,000,000,000
Par value per share	AED 0.10
Capital	AED 1,000,000,000

Annex 2 - Articles of Association

**Articles of Association of Emirates Central
Cooling Systems Corporation P.J.S.C (the
"Company")**

**النظام الأساسي لمؤسسة الإمارات لأنظمة التبريد المركزي
(ش.م.ع) ("الشركة")**

Introduction:

المقدمة:

On 23 November 2003, Law No. (10) of 2003 Concerning Establishing the Emirates Central Cooling Systems Corporation has been issued by the Ruler of Dubai, as amended by Law No. (3) of 2010 issued by the Ruler of Dubai on Establishing the Emirates Central Cooling Systems Corporation;

بتاريخ 23 نوفمبر 2003، صدر القانون رقم (10) لسنة 2003 الصادر عن حاكم دبي بشأن إنشاء مؤسسة الإمارات لأنظمة التبريد المركزي، والمعدل بالقانون رقم (3) لسنة 2010 الصادر عن حاكم دبي بتاريخ 10 يناير 2010 بشأن إنشاء مؤسسة الإمارات لأنظمة التبريد المركزي.

On 9 May 2022, Decree No. (19) of 2022 Concerning Transferring the Ownership of the Shares of the Dubai Development Authority in the Emirates Corporation for Central Cooling Systems to Emirates Power Investment LLC has been issued by the Ruler of Dubai.

بتاريخ 9 مايو 2022، صدر مرسوم رقم (19) لسنة 2022 الصادر عن حاكم دبي بشأن نقل ملكية حصص سلطة دبي للتطوير في مؤسسة الإمارات لأنظمة التبريد المركزي إلى الإمارات باور انفستمنت (ذ.م.م).

On 14 October 2022 Law No. (22) of 2022 Concerning Emirates Central Cooling Systems Corporation, a public joint-stock company (PJSC) and having legal personality, financial and administrative autonomy, and the full legal capacity to conduct its activities and achieve its objectives has been issued by the Ruler of Dubai ("Company Establishment Law").

كما أنه بتاريخ 14 أكتوبر 2022 صدر القانون رقم (22) لسنة 2022 الصادر عن حاكم دبي بشأن مؤسسة الإمارات لأنظمة التبريد المركزي، باعتبارها شركة مساهمة عامة تتمتع بالشخصية الاعتبارية، والاستقلال المالي والإداري، والأهلية القانونية الكاملة لممارسة أنشطتها وتحقيق أغراضها ("قانون تأسيس الشركة").

Pursuant to the written resolutions of the Founders of the Company the Company's Founders (as defined below) have agreed to launch an initial

بموجب قرار مؤسسي الشركة تمت الموافقة من قبل مؤسسي الشركة (كما هي معرفة أدناه) على طرح نسبة من رأسمال الشركة للاكتتاب العام عن طريق طرح العام الأولي.



public offering to offer to the public a part of the share capital of the Company.

Pursuant to Article (8) of the Company Establishment Law, the Company's Founders approved the adoption of these present articles of association for the Company, based on a proposal by the Company's board of directors.

The Articles of Association of Emirates Central Cooling Systems Corporation PJSC (the "**Articles**") are hereby issued as follows:

Definitions

The following terms and expressions, wherever mentioned in these Articles, shall have the following meanings unless the context indicates otherwise:

UAE: The United Arab Emirates.

Emirate: The Emirate of Dubai.

Government: Government of Dubai.

SCA: The Securities and Commodities Authority of the UAE.

Competent Authority: An authority responsible for licensing economic activities in the Emirate.

Founders: DEWA and Emirates Power Investment LLC

Financial Market(s): Any financial market(s) on which the Company's shares are listed.

وفقاً للمادة (8) من قانون تأسيس الشركة، تمت الموافقة من قبل مؤسسي الشركة على اعتماد النظام الأساسي للشركة بناء على توصية مجلس إدارة الشركة.

قد تم الاتفاق على النظام الأساسي لمؤسسة الإمارات لأنظمة التبريد المركزي (ش.م.ع) ("**النظام**")، وذلك على النحو التالي:

التعريفات

يُقصد بالكلمات والعبارات التالية، حيثما وردت في هذا النظام، المعاني المبينة إزاء كلٍّ منها، ما لم يدل سياق النص على غير ذلك:

الدولة: دولة الإمارات العربية المتحدة.

الإمارة: إمارة دبي.

الحكومة: حكومة دبي.

الهيئة: هيئة الأوراق المالية والسلع.

السُّلطة المختصة: السُّلطة المعنية بترخيص الأنشطة الاقتصادية في الإمارة.

المؤسسين: ديوا والإمارات باور انفستمنت ذ.م.م

السوق المالي: أي من الأسواق المالية التي يتم إدراج أسهم الشركة فيها.



Shareholder: A natural or legal person who holds shares in the Company.

المُساهم: الشَّخص الطبيعي أو الاعتباري المالك لأي من أسهم الشركة.

Company: Emirates Central Cooling Systems Corporation P.J.S.C.

الشركة: مؤسسة الإمارات لأنظمة التبريد المركزي (ش.م.ع).

Affiliate: Any company to which the definition of "Affiliate" under the Governance Rules is applicable.

الشركة الحليفة: أي شركة ينطبق عليها وصف الحليف، وفقاً للمعنى المنصوص عليه في قواعد الحوكمة.

Subsidiary: Any company or corporation whose majority shares are owned directly or indirectly by the Company.

الشركة التابعة: أي مؤسسة أو شركة تمتلك الشركة أغلبية أسهمها بشكل مباشر أو غير مباشر.

General Assembly: A meeting of Shareholders, held in accordance with the provisions of Part Five of these Articles. The venue, time, and method of convocation of the General Assembly shall be determined in accordance with these Articles, and the Companies Law and the resolutions issued in pursuance thereof.

الجمعية العمومية: اجتماع يعقده المساهمون في الشركة وفقاً لنصوص الباب الخامس من هذا النظام، يتم تحديد مكانه وموعده وكيفية الدعوة إليه وفقاً لما هو منصوص عليه في هذا النظام وقانون الشركات والقرارات الصادرة بموجبه.

Special Resolution: A resolution passed by the majority of votes of the Shareholders holding at least three quarters (75%) of the shares represented in the General Assembly.

القرار الخاص: القرار الصادر بأغلبية أصوات المساهمين الذين يملكون (75%) من الأسهم الممثلة في الجمعية العمومية على الأقل.

Board or Board of Directors: The board of directors of the Company.

المجلس أو مجلس الإدارة: مجلس إدارة الشركة.

Chairperson: The chairperson of the Board of Directors, who will be appointed from amongst the Board of Directors by the majority vote of the Board.

الرئيس: رئيس مجلس الإدارة الذي سيتم تعيينه من بين أعضاء مجلس الإدارة بموافقة أغلبية أعضاء المجلس.

Director: A member of the Board of Directors.

العضو: عضو مجلس الإدارة.

CEO: The chief executive officer of the Company who will be appointed by the majority vote of the Board.

Management: The executive management of the Company, comprising the general manager, CEO delegated by the Board to manage the Company and their deputies, or any other persons authorized by the Board of Directors and their deputies to manage the Company.

Cumulative Voting: A voting process pursuant to which each Shareholder has a number of votes equal to the number of shares held by such Shareholder, and whereby, when voting in favour of Director appointments, such votes may be cast in favour of a single nominated Director or distributed in favour of more than one (1) nominated Director, provided that the number of votes cast by a Shareholder does not exceed the number of the shares held by such a Shareholder.

Related Party: Any person, entity, or body designated as Related Party by the Company's Related Party Policy and SCA pursuant to the relevant resolutions it issues.

Secretary: The secretary of the Board of Directors and/or any of its committees.

الرئيس التنفيذي: الرئيس التنفيذي للشركة، الذي سيتم تعيينه بموافقة أغلبية أعضاء المجلس.

الإدارة: الإدارة التنفيذية للشركة، التي تتكون من المدير العام والرئيس التنفيذي المخولين من قبل أعضاء مجلس الإدارة بإدارة الشركة ونوابهم / أو أشخاص أخرى مخولين من قبل أعضاء مجلس الإدارة ونوابهم لإدارة الشركة.

التصويت التراكمي: عملية التصويت التي يكون فيها لكل مساهم عدد من الأصوات يساوي عدد الأسهم التي يملكها، بحيث يقوم بالتصويت بها لمرشح واحد لعضوية مجلس الإدارة أو توزيعها بين من يختارهم من المرشحين، على ألا يتجاوز عدد الأصوات التي يمنحها للمرشحين الذين اختارهم عدد الأصوات التي بحوزته.

الطرف ذي العلاقة: أي شخص أو جهة أو كيان يتم تحديده من قبل سياسة الشركة الخاصة بتعريف الطرف ذي العلاقة أو الهيئة كطرف ذو علاقة، وفقاً للقرارات الصادرة عنها في هذا الشأن.

المقرر: مقرر مجلس الإدارة و/أو أي من اللجان التابعة له.



DEWA: Dubai Electricity and Water Authority P.J.S.C, is government public joint stock company owned 82% by the Government of Dubai.

Auditor: The auditor of the Company as appointed by the General Assembly from time to time.

Companies Law: Federal Law by Decree No. (32) of 2021 Concerning Commercial Companies, as amended from time to time.

Governance Rules: A set of regulations and procedures issued by the SCA, which ensure achievement of corporate discipline in all the Company affairs, including the responsibilities and duties of, the Directors, the CEO and the Management, as well as the rights of Shareholders.

Listing Rules: The rules and requirements of listing set forth in the Companies Law and the resolutions issued in pursuance thereof, the resolutions issued by the SCA, and the regulations of the Financial Market(s) on which the Company's shares are listed.

ديوا: هيئة كهرباء ومياه دبي (ش.م.ع)، وهي شركة مساهمة عامة حكومية مملوكة لحكومة دبي بنسبة 82%.

مُدَقِّقُ الْحِسَابَات: مُدَقِّقُ حِسَابَاتِ الشَّرْكَةِ الْمُعَيَّن من الجمعية العمومية من وقت لآخر.

قانون الشركات: المرسوم بقانون اتحادي رقم (32) لسنة 2021 بشأن الشركات التجارية واية تعديلات قد تطرأ عليه من وقت لآخر.

قواعد الحوكمة: مجموعة الصوابط والإجراءات الصادرة عن الهيئة، التي تُحقَّق الانضباط المؤسسي في جميع شؤون الشركة، بما في ذلك مسؤوليات وواجبات أعضاء مجلس الإدارة، والرئيس التنفيذي والإدارة وحقوق المساهمين.

قواعد الإدراج: قواعد ومُتطلَّبات الإدراج الواردة في قانون الشركات والقرارات الصادرة بموجبه، وكذلك القرارات الصادرة عن الهيئة وما هو معمول به لدى السوق المالي والمدرجة عليه أسهم الشركة.

PART ONE

Establishment of the Company

Company Name

Article (1)

The name of the Company shall be Emirates Central Cooling Systems Corporation PJSC referred to herein as ("the Company").



الباب الأول

تأسيس الشركة

اسم الشركة

المادة (1)

يكون اسم الشركة هو "مؤسسة الإمارات لأنظمة التبريد المركزي (ش.م.ع)" ويشار إليها فيما يلي ب ("الشركة").



Company Head Office

Article (2)

- The head office of the Company shall be in the Emirate. The Board of Directors may approve the establishment by the Company of branches and/or offices of the Company within and outside of the UAE.
- The Board of Directors may approve the entry by the Company into commercial transactions with any entity; and/or the establishment of Subsidiaries or Affiliates of the Company within or outside of the Emirate.

Term of the Company

Article (3)

The term of the Company is ninety-nine (99) Gregorian years from the date the Company is registered in the commercial register, automatically renewable for similar successive terms unless a Special Resolution is issued by the General Assembly modifying the term of the Company or dissolving the Company before the end of the term.

Objectives and Functions of the Company

Article (4)

- The Company shall have the following objectives and goals:



مقر الشركة

المادة (2)

- أ. يكون مقر الشركة في الإمارة، ويجوز لمجلس الإدارة أن يوافق على قيام الشركة بإنشاء فروعاً ومكاتب لها داخل الدولة وخارجها.
- ب. يجوز لمجلس الإدارة اعتماد أية تعاقدات تجارية يتم عقدها مع أي كيان بواسطة الشركة، وكذلك تأسيس الشركات التابعة أو الشركات الحليفة للشركة داخل الإمارة وخارجها.

مُدَّة الشركة

المادة (3)

مُدَّة الشركة (99) تسع وتسعون سنة ميلادية من تاريخ قيدها في السجل التجاري للشركة، قابلة للتديد تلقائياً لمدد مماثلة متتالية، ما لم تُقرَّر الجمعية العمومية بموجب القرار الخاص حلّ الشركة قبل انتهاء تلك المدّة أو تعديلها.

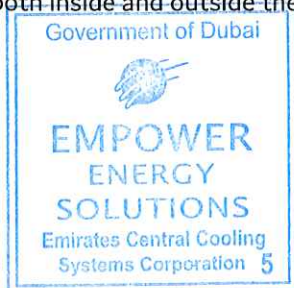
أغراض الشركة واختصاصاتها

المادة (4)

- أ. تكون أهداف وأغراض الشركة على النحو التالي:



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 of 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 in the above two clauses (1) and (2) of paragraph A of this article; and
 4. investing in projects that contribute to the preservation of natural resources, the protection of the environment, and to achieve an added value for the development and improvements in the Emirate, and
 5. any other objectives that may be determined in these Articles.
- b. For the purposes of achieving the objectives set forth in paragraph 4(A) of this Article, the Company may:
1. contract 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;
1. إنتاج المياه المبردة لتكييف الهواء والقيام بأي أعمال أخرى متصلة بذلك لتزويد المنشآت التجارية والسكنية والصناعية وأي مرافق أخرى بمقابل مادي؛
 2. امتلاك وإدارة وتشغيل وصيانة وتأجير معدات أنظمة التبريد المركزي و/ أو المستقلة وشبكات النقل والتوزيع الخاصة بذلك، وغيرها من المعدات؛
 3. تنفيذ مشروعات مشتركة مع أي أطراف أخرى للأغراض المنصوص عليها في البندين (1) و(2) من الفقرة (أ) من هذه المادة؛ و
 4. الاستثمار في مشروعات تساهم في المحافظة على المصادر الطبيعية وحماية البيئة وتحقيق قيمة مضافة لجهود التنمية والتطوير في الإمارة؛ و
 5. أي أغراض أخرى يحددها هذا النظام.
- ب. لغايات تحقيق الأغراض المشار إليها في الفقرة (أ) من هذه المادة، يكون للشركة القيام بما يلي:
1. التعاقد مع الغير لإنشاء المحطات والشبكات والمعدات لإنتاج المياه المبردة داخل الإمارة وخارجها؛
 2. تأسيس شركات مملوكة لها بالكامل أو تساهم فيها بشكل جزئي، بشكل مباشر أو غير مباشر، في الشركات المرتبطة بأغراضها داخل الدولة أو خارجها؛



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 these Articles; and
 6. any other businesses or activities, related to achieving its objectives whether directly or indirectly, as stipulated in this Articles of Association.
- 1- امتلاك، وحيازة، وبيع، وتأجير، وإستئجار العقارات والأراضي والأصول والمعدات والتجهيزات التي تكون ضرورية أو تسهم في تحقيق أغراضها، والتصرف بها بأي شكل من أشكال التصرفات القانونية، بما فيها الرهن.
 4. استثمار وتوظيف أموالها في أي مجالات تجارية، أو مالية، أو خدمية، أو صناعية؛
 5. اقتراض الأموال وإصدار السندات والصكوك بضمان أو بدون ضمان طبقاً لأحكام هذا النظام؛ و
 6. أي أعمال أو أنشطة أخرى تتعلق بتحقيق أغراضها سواء بصورة مباشرة أو غير مباشرة يتم تحديدها في هذا النظام الأساسي .

PART TWO

CAPITAL OF THE COMPANY

Capital and Shares

Article (5)

- a. The issued capital of the Company is one billion Dirhams (AED 1,000,000,000), divided into 10,000,000,000 (ten billion) shares. The nominal value of each share is 0.10 dirhams (10 fils).



الباب الثاني

رأس المال الشركة

تحديد رأس المال والأسهم

المادة (5)

- أ. يتحدد رأس مال الشركة المُصدر والمدفوع بمبلغ (1,000,000,000) مليار درهم، مُقسّم إلى 10,000,000,000 (عشرة مليار) سهم، وتكون القيمة الإسميّة لكل سهم 0.10 درهم (10 فلووس).



b. All the shares of the Company shall be nominal and equal in rank and rights with one another in all aspects.

ب. تكون جميع أسهم الشركة إسمية ومتساوية في الفئة والحقوق التي تمنحها من كافة الجوانب.

Initial Public Offering

الاكتتاب العام الأولي

Article (6)

المادة (6)

The shares of the Company shall be offered for public subscription by way of an initial public offering in accordance with the relevant percentages prescribed by the Founders.

يتم طرح أسهم الشركة للاكتتاب العام، وفق النسب التي يُحددها المؤسسين في هذا الشأن.

Payment of Share Nominal Value

دفع القيمة الإسمية للأسهم

Article (7)

المادة (7)

One hundred percent (100%) of the total nominal value of the shares shall be paid up in full on subscription.

تُدفع ما نسبته (100%) مائة بالمائة من كامل القيمة الإسمية للأسهم عند الاكتتاب.

Assuming and Increasing Liabilities

تحمل أو زيادة الالتزامات

Article (8)

المادة (8)

The Shareholders shall be responsible for the Company's liabilities and losses only to the extent of any amount unpaid in respect of the shares held by them. Such liabilities of the Shareholders may be increased only with their unanimous consent.

لا يتحمل المساهمون أي التزامات تُطلب من الشركة أو أي خسائر تلحق بها، إلا في حدود المبلغ غير المدفوع عما يملكونه من أسهم، ولا يجوز زيادة التزامات المساهمين في الشركة عن هذا القدر إلا بموافقتهم الجماعية.

Effect of Ownership of Company Shares

آثار تملك أسهم الشركة

Article (9)

المادة (9)



The ownership of any share in the Company shall be deemed an acceptance by the Shareholder to be bound by these Articles and the resolutions of the General Assembly. A Shareholder may not request a refund of the amounts paid to the Company in consideration of his/ her shareholding in the capital.

Share Ownership

Article (10)

The shares are not divisible, which means that a share may not be divided among more than one (1) person.

Shareholder Rights

Article (11)

Each share shall entitle its holder to a proportion equal to that of the other shares without distinction. A Shareholder is entitled to:

1. ownership of the assets of the Company, upon dissolution, in proportion to the value of the shares he/she holds;
2. the profits of the Company, in proportion to the value of the shares he/she holds;
3. the right to attend General Assembly meetings; and
4. the right to vote on the resolutions of the General Assembly.

Listing and Disposition of Shares



10

يترتب على ملكية السهم، قبول المساهم بالنظام الأساسي للشركة وقرارات الجمعية العمومية، ولا يجوز للمساهم أن يطلب استرداد ما دفعه للشركة كحصة في رأس المال.

ملكية السهم

المادة (10)

لا يجوز تجزئة ملكية السهم، ويترتب على ذلك عدم جواز أن يملك السهم الواحد أكثر من شخص واحد (1).

حقوق المساهم

المادة (11)

كل سهم يؤهل مالكة الحق في حصة مُعادلة لحصة غيره، دون تمييز، ويكون للمساهم الحق فيما يلي:

1. ملكية موجودات الشركة عند تصفيتها، بما يُعادل قيمة الأسهم التي يملكها؛
2. أرباح الشركة، بما يُعادل قيمة الأسهم التي يملكها؛
3. حضور الجمعية العمومية؛ و
4. التصويت على قرارات الجمعية العمومية.

إدراج الأسهم والتصرف فيها



Article (12)

المادة (12)

- a. The Company shall list its shares on any Financial Market(s) licensed in the Emirate. The Board of Directors may list the Company's shares on Financial Markets or outside of the Emirate or the UAE. In issuing, registering, trading in, transferring, and creating rights in the Company's shares, the Company shall comply with the rules provided for in these Articles, the Companies Law and the resolutions issued in pursuance thereof, the SCA resolutions, the listing rules, the regulations adopted by the relevant Financial Market(s), and the legislation in force in the Emirate, as applicable.
- b. The Company's shares may be sold, transferred, pledged, or otherwise legally disposed of, in accordance with the provisions of these Articles, and all such dispositions shall be registered in a special register referred to as the "Share Register" to be maintained by the Company. Upon listing the Company's shares on a Financial Market(s), all dispositions related to these shares, including any set-off or settlement, shall be registered in accordance with the regulations applicable in the Financial Market(s).

أ. تقوم الشركة بإدراج أسهمها في أي من الأسواق المالية المرخصة في الإمارة، ويجوز لمجلس الإدارة إدراج أسهم الشركة في الأسواق المالية الموجودة خارج الإمارة أو الدولة، على أن يتم الالتزام في كل ما يتعلق بإصدار وتسجيل أسهم الشركة وتداولها ونقل ملكيتها وترتيب الحقوق عليها، بالقواعد المنصوص عليها في هذا النظام وقانون الشركات والقرارات الصادرة بموجبه، وكذلك القرارات الصادرة عن الهيئة وقواعد الإدراج، وما هو معمول به لدى السوق المالي المعني والتشريعات السارية في الإمارة.

ب. يجوز التصرف بأسهم الشركة، سواءً ببيعها أو التنازل عنها أو رهنها أو غير ذلك من التصرفات القانونية الأخرى، وذلك بما يتفق مع أحكام هذا النظام، على أن يتم تسجيل تلك التصرفات في سجل خاص يتم إنشاؤه لدى الشركة، يُسمى "سجل الأسهم"، وعند إدراج أسهم الشركة في السوق المالي، يتم تسجيل كافة التصرفات التي تتم على هذه الأسهم، بما في ذلك المقاصة والتسويات، وفقاً للقواعد المعمول بها لدى السوق المالي.



c. In the event of the death of a Shareholder, his/her heir(s) or devisee(s) shall be the only person(s) having rights or interests in the shares of the deceased Shareholder. Such heir(s) or devisee(s) shall be entitled to such dividends and other privileges as the deceased Shareholder would have been entitled in relation to such shares. Such heir(s) or devisee(s), after being registered as a Shareholder in accordance with these Articles, shall have the same rights in his/ her capacity as a Shareholder in the Company as the deceased Shareholder had in relation to such shares. The estate of the deceased Shareholder shall not be exempted from any obligation to the Company or others regarding any share held by him/her at the time of death.

d. Any person who becomes entitled to rights to a share or shares in the Company as a result of the death, dissolution, or bankruptcy of any Shareholder, or pursuant to an attachment order issued in favor of that person by any competent court of law, must within thirty (30) days:

1. produce written evidence of such right to the Company; and
2. decide, in accordance with the Companies Law and the resolutions issued in pursuance



ج. في حال وفاة المُساهِم، يكون وريثه أو الموصي له هو الشَّخص الوحيد الذي له الحق في أسهُم المُتوفَّى، وفي الأرباح والامتيازات الأخرى التي كان للمُتوفَّى حقُّ فيها، كما يكون له بعد تسجيله في الشَّرْكة وفقاً لأحكام هذا النِّظام، حُقوق المُساهِم، التي كان يتمتَّع بها المُتوفَّى فيما يخص تلك الأسهُم، ولا تُعفى تركة المُساهِم المُتوفَّى من أيِّ التزام تجاه الشَّرْكة أو غيرها يتعلَّق بأيِّ سهم كان يملكه وقت الوفاة.

د. يجب على أي شخص يُصبح له الحق في أي أسهُم في الشَّرْكة نتيجة وفاة، أو تصفية، أو إفلاس أي مُساهِم، أو صدور حُجْز قضايٍ لصالحه عن المحكمة المُختصة، أن يقوم خلال (30) ثلاثين يوماً بما يلي:

- 1- تقديم بَيِّنَة ختلية على حَقِّه في الأسهُم إلى الشَّرْكة.
- 2- أن يختار التسجيل كُمساهِم، أو أن يُسمِّي شخصاً آخر ليتم تسجيله كُمساهِم فيما يتعلَّق بالسَّهم الذي آل



thereof, either to be registered as a Shareholder or to nominate another person to be registered as a Shareholder of the share(s) devolved unto him/her by way of inheritance, dissolution, bankruptcy, or judicial attachment.

Shares Electronic System

Article (13)

When the Company completes the listing of its shares on a Financial Market(s), it shall replace its Share Register and ownership transfer system with an electronic system for the registration of the shares and transfer thereof, which is compatible with the system adopted by the Financial Market(s). The data recorded in that electronic system shall be final and binding, and may not be challenged, transferred, or altered except in accordance with the laws, regulations, and procedures applicable in the Financial Market(s).

Attachment of Company Property

Article (14)

A Shareholder's heirs, successors, or creditors may not, for whatsoever reason, request the attachment of the Company's assets. They also may not request to subdivide these assets or sell them, nor to interfere in any way whatsoever in the management of the Company. Those heirs, successors, and

إليه بالإرث، أو التصفية، أو الإفلاس، أو الحجز القضائي، وذلك وفقاً لأحكام قانون الشركات والقرارات الصادرة بموجبه.

النظام الإلكتروني للأسهم

المادة (13)

تستبدل الشركة، عند إتمام إدراج أسهمها في السوق المالي، سجل الأسهم ونظام نقل ملكية الأسهم المعمول بهما لديها، بنظام إلكتروني لتسجيل الأسهم ونقل ملكيتها، بما يتوافق مع النظام المعمول به في السوق المالي، وتعتبر البيانات الواردة في النظام الإلكتروني نهائية وملزمة، لا يجوز الطعن فيها أو طلب نقلها أو تغييرها إلا بمقتضى القوانين والأنظمة والإجراءات المعمول بها لدى السوق المالي.

الحجز على ممتلكات الشركة

المادة (14)

لا يجوز لورثة المساهم أو لغيرهم من خلفه أو دائنيه بأي حال من الأحوال، أن يطلبوا الحجز على ممتلكات الشركة أو قسمتها أو بيعها، أو أن يتدخلوا بأي طريقة كانت في إدارتها، ويجب عليهم للاستفادة من حقوقهم الاستناد إلى قوائم جرد الشركة



creditors must, when exercising their rights, rely on the Company's inventories and financial statements, and the resolutions of the General Assembly.

Dividends

Article (15)

The Company shall pay dividends on each share to the last holder of such share whose name is registered in the Share Register on the date specified by the General Assembly for payment of such dividends. Such holder shall have the sole right to the profits due on those shares whether these profits represent dividends or entitlements to a part of the Company's assets in the event of its liquidation.

Increase and Reduction of the Company Capital

Article (16)

- a. Subject to the provisions of the Companies Law and the resolutions issued in pursuance thereof, the share capital of the Company may, after obtaining the SCA's approval, be increased by issuing new shares of the same nominal value as the original shares or of the same nominal value plus a premium in case the market value of the shares exceeds their nominal value, or with granting a discount on the nominal value of the shares in case the market value of the shares is

وحساباتها الختامية، وعلى القرارات الصادرة عن الجمعية العمومية.

الأرباح المستحقة عن السهم

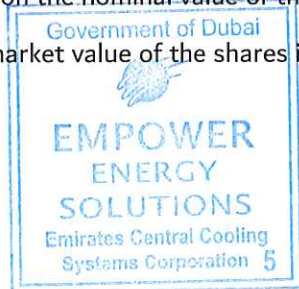
المادة (15)

تقوم الشركة بدفع حصص الأرباح المستحقة عن كل سهم للمالك الأخير الذي قيد اسمه في سجل الأسهم بالشركة، وذلك في التاريخ الذي تحدده الجمعية العمومية لدفع الأرباح، ويكون لهذا المالك وحده الحق في استلام المبالغ المستحقة عن ذلك السهم، سواء كانت حصصاً في الأرباح، أو نصيباً في موجودات الشركة في حال تصفيتها.

زيادة وتخفيض رأسمال الشركة

المادة (16)

- أ. مع مراعاة أحكام قانون الشركات والقرارات الصادرة بموجبه، وبعد الحصول على موافقة الهيئة، يجوز زيادة رأسمال الشركة، بإصدار أسهم جديدة بذات القيمة الإسمية للأسهم الأصلية، أو بإضافة علاوة إصدار إلى القيمة الإسمية في حالة زيادة القيمة السوقية عن القيمة الاسمية للسهم، أو منح خصم إصدار على القيمة الإسمية للسهم في حالة انخفاض القيمة السوقية عن القيمة الاسمية للسهم، كما يجوز تخفيض رأسمال الشركة بعد الحصول على موافقة الهيئة، ووفقاً لما هو



lower than their nominal value. Subject to obtaining the SCA's approval, the share capital of the Company may also be reduced in accordance with the provisions of the Companies Law and the resolutions issued in pursuance thereof.

- b. An increase or a reduction of the share capital shall require a Special Resolution of the General Assembly issued pursuant to a proposal of the Board of Directors after reviewing the Auditor's report. In the case of increase of the share capital, the resolution must state the amount of the increase and the value of the shares to be issued. In the case of reduction of the share capital, the resolution must state the amount to be reduced and the method of reduction.

- c. Subject to the provisions of Articles (225), (226), (227), and (231) of the Companies Law, the Company may, after obtaining the SCA approval and issuance of the relevant General Assembly resolution, increase its capital without applying the pre-emption rights of the existing Shareholders:

1. for the purpose of entry of a strategic partner;
2. for the purpose of capitalising the Company's debts;

منصوص عليه في قانون الشركات والقرارات الصادرة بموجبه.

- ب. يجب أن تتم أي زيادة في رأسمال الشركة أو تخفيضه بقرار خاص من الجمعية العمومية، بناءً على اقتراح مجلس الإدارة، وذلك بعد الاطلاع على تقرير مُدقق الحسابات، على أن يتم في حالة زيادة رأس المال، تحديد مقدار الزيادة وسعر إصدار الأسهم الجديدة، وأن يتم في حالة تخفيض رأس المال تحديد مقدار التخفيض وكيفية تنفيذه.

- ج. مع مراعاة أحكام المواد (225)، (226)، (227) و(231) من قانون الشركات، وبعد الحصول على موافقة الهيئة وصُودر قرار عن الجمعية العمومية، يجوز زيادة رأسمال الشركة دون تطبيق حقوق الأولوية للمساهمين القائمين فيها، في أي من الأحوال التالية:

1. إدخال مساهم استراتيجي في الشركة؛
2. تحويل ديون الشركة إلى رأسمال؛



3. for the purpose of converting bonds or sukuk issued by the Company into shares;
or
4. for acquiring an existing company and issuing new shares of the Company to the partners or shareholders of that acquired company.

PART THREE

BONDS AND SUKUK

Issuing Bonds and Sukuk

Article (17)

- a. Subject to the provisions of the Companies Law and the resolutions issued in pursuance thereof, the General Assembly may, pursuant to a Special Resolution and upon the recommendation of the Board of Directors, resolve to issue tradable or non-tradable bonds, sukuk, or other securities of any nature of equal value per issue whether they are convertible to shares or otherwise. The resolution issued by the General Assembly shall determine the value of the bonds, securities or sukuk, the terms of issuance and their tradability and convertibility into shares. The General Assembly may also delegate to the Board of Directors the power to determine the date of issuance of such bonds

3. تحويل السندات أو السكوك الصادرة عن الشركة إلى أسهم؛ أو
4. الاستحواذ على شركة قائمة وإصدار أسهم جديدة في الشركة لصالح الشركاء أو المساهمين في الشركة المستحوذ عليها.

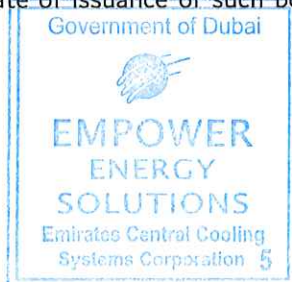
الباب الثالث

السندات والسكوك

إصدار السندات والسكوك

المادة (17)

- أ. مع مراعاة أحكام قانون الشركات والقرارات الصادرة بموجبها، يجوز للجمعية العمومية بموجب قرار خاص، بناءً على توصية مجلس الإدارة، أن تُقرّر إصدار أي نوع من سندات القرض، أو السكوك الإسلامية، أو أي سندات مالية أخرى بقيم متساوية لكل إصدار، سواء كانت قابلة للتداول أو التحويل إلى أسهم في الشركة من عدمه، على أن يُبيّن القرار الصادر عن الجمعية العمومية قيمة هذه السندات والسكوك والسندات المالية الأخرى، وشروط إصدارها، ومدى قابليتها للتداول أو التحويل إلى أسهم، ويجوز للجمعية العمومية أن تُفوض مجلس الإدارة صلاحية تحديد موعد إصدار تلك السندات والسكوك، وفقاً لما هو مُعتمد لدى الهيئة في هذا الشأن.



and sukuks, pursuant to the rules adopted by the Authority.

- b. Any bond or sukuk issued by the Company shall remain nominal until fully paid up. The Company may not issue "bearer" bonds or sukuks. Bonds or sukuks issued in connection with a single loan shall give equal rights to the holders of such bonds or sukuks. Any condition to the contrary shall be invalid.

ب. أي سند أو صك تُصدِّره الشركة يبقى إسميًّا، وذلك إلى حين اكتمال سداد قيمته، ولا يجوز إصدار السندات أو الصُّكوك لحامليها، ويُمنَح أصحاب السندات أو الصُّكوك التي تُصدَّر بمُناسبة قرض واحد حُقوقاً مُتساوية، ويقع باطلاً كُل شرط يُخالف ذلك.

PART FOUR

BOARD OF DIRECTORS

Appointment and Election of Directors

Article (18)

- a. Subject to the provisions of Article (10) of the Company Establishment Law, the Company shall be managed by a Board of Directors consisting of the Chairperson, the vice chairperson, and other experienced and specialised members. The number of the Board of Directors members, including the Chairperson and the vice chairperson, may not be less than seven (7).
- b. The first Board of Directors shall be appointed, as follows:

Three (3) members of the Board will be appointed by DEWA including the Chairperson, and one (1) member of the Board will be appointed by Emirates

الباب الرابع

مجلس الإدارة

تعيين وانتخاب أعضاء مجلس الإدارة

المادة (18)

أ. مع مُراعاة أحكام المادة (10) من قانون تأسيس الشركة، يتولَّى إدارة الشركة مجلس إدارة، يتألف من الرئيس ونائب الرئيس وعدد من الأعضاء من ذوي الخبرة والاختصاص، لا يقل عددهم عن (7) سبعة أعضاء، بمن فيهم الرئيس ونائب الرئيس.

ب. يتم تعيين أول مجلس إدارة على النحو التالي:

ثلاثة (3) من أعضاء مجلس الإدارة من قبل ديوا متضمنًا الرئيس، وعضو مجلس إدارة واحد (1) سيتم تعيينه من قبل الإمارات باور انفسستمنت ذ.م.م، وأعضاء مجلس الإدارة الثلاثة



Power Investment LLC, and the remaining three (3) members of the Board (one of whom shall be female) will be independent non-executive members of the Board.

- c. Subsequent Boards of Directors shall be elected by the Shareholders in General Assembly, via secret Cumulative Voting in accordance with the provisions of the Companies Law and the resolutions issued in pursuance thereof.
- d. A Director must be an experienced person who is not Shareholder.
- e. The Company shall abide by the Governance Rules with respect to nomination for the Board of Directors membership.

Membership in the Board of Directors

Article (19)

- a. Membership of the Board of Directors (including the first Board of Directors) shall be for a term of three (3) years. At the end of each such term, the Board of Directors shall be reconstituted by electing new members or re-electing one or more former members.
- b. Where the position of a Director falls vacant, the Board of Directors may appoint a new Director to fill that position within thirty (30) days from the date of such vacancy. Such appointment must be presented to the General

(3) المتبقين سيكونوا مستقلين وغير تنفيذيين على أن تكون أحدهم امرأة.

ج. يتم انتخاب الأعضاء، عن طريق التصويت السري التراكمي، وفقاً لقانون الشركات والقرارات الصادرة بموجبه.

د. يلزم أن يكون الأعضاء من ذوي الخبرة من غير المساهمين.

هـ. تلتزم الشركة بقواعد الحوكمة بشأن الترشيح لعضوية مجلس الإدارة.

العضوية في مجلس الإدارة

المادة (19)

أ. تكون مدة العضوية في مجلس الإدارة (بما في ذلك أول مجلس إدارة) (3) ثلاث سنوات، على أن يتم إعادة تشكيل مجلس الإدارة عند انتهاء هذه المدة، بانتخاب أعضاء جدد، أو بإعادة انتخاب الأعضاء الذين انتهت مدة عضويتهم.

ب. في حال شُغور منصب أي من الأعضاء، فيجوز لمجلس الإدارة تعيين عضو جديد خلال (30) ثلاثين يوماً من تاريخ شُغور العضوية، على أن يُعرض هذا التعيين على الجمعية العمومية في أول اجتماع لها لاعتماد القرار أو

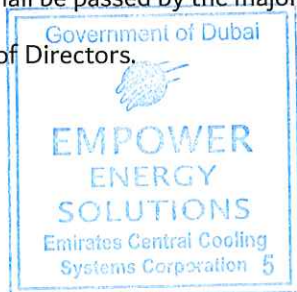
Assembly in its first subsequent meeting to ratify the appointment decision or appoint another Director. The new Director shall complete the term of his/ her predecessor. Where no new Director is appointed within the aforementioned period, the Board of Directors shall, at the first subsequent General Assembly meeting, solicit candidates for election to fill the vacancy in the Board of Directors.

- c. If the vacant positions during the year reach or exceed twenty-five percent (25%) of the number of Directors, the Board of Directors must call for a General Assembly to convene within thirty (30) days from the date of reaching this percentage in order to elect new Directors. In all cases, a new Director shall complete the term of his/ her predecessor.

Chairperson and Vice Chairperson Election

Article (20)

- a. Upon expiry of the tenure of the first Board of Directors, the new Board of Directors shall elect by secret cumulative ballot, from amongst its members, a Chairperson and a vice chairperson, who shall act in the capacity of the Chairperson in case of his/her absence. The resolution approving the election of the Chairperson and vice Chairperson shall be passed by the majority vote of the Board of Directors.



تعيين عضو بديل، على أن يكمل العضو الجديد مدة عضويته سلفه، وفي حال عدم تعيين العضو الجديد خلال تلك المدة، فإنه يجب على مجلس الإدارة فتح باب الترشيح لانتخاب عضو للمنصب الشاغر في مجلس الإدارة في أول اجتماع للجمعية العمومية.

ج. إذا بلغت أو تعددت العضوية الشاغرة ما نسبته (25%) خمسين وعشرين بالمائة أو أكثر من عدد الأعضاء، فإنه يجب على مجلس الإدارة دعوة الجمعية العمومية للاجتماع خلال (30) ثلاثين يوماً من تاريخ تحقق تلك النسبة لانتخاب أعضاء جدد، وفي جميع الأحوال يكمل العضو الجديد مدة سلفه.

انتخاب الرئيس ونائب الرئيس

المادة (20)

أ. عند انتهاء مدة ولاية أول مجلس إدارة الشركة المعينين، ينتخب مجلس الإدارة الجديد وبالتصويت السري التراكمي من بين أعضائه الرئيس، وكذلك يتم انتخاب نائب الرئيس الذي يقوم مقام الرئيس في حال غيابه ويصدر قرار الموافقة على انتخاب الرئيس بأغلبية أصوات أعضاء مجلس الإدارة.



- b. The Chairperson is responsible for the performance of his / her functions under the Company Establishment Law, these Articles, and the Companies Law and the resolutions issued in pursuance thereof.
- c. The Board of Directors shall appoint a Secretary to the Board of Directors in accordance with the relevant rules adopted by the SCA. The Secretary shall be responsible for preparing the agendas of the Board of Directors; sending invitations to Directors to attend its meetings; recording, following up the implementation of, maintaining, and archiving its minutes of meetings, resolutions, and recommendations; and performing any other duties assigned to him by the Chairperson or the Board of Directors.
- d. The Secretary must satisfy the conditions and requirements stipulated in the Governance Rules. The Secretary shall report directly to the Board of Directors and may only be dismissed by resolution of the Board of Directors.
- e. The Board of Directors may, in line with the Company Establishment Law and the Governance Rules, form one or more committees from amongst its members, and delegate to such committees any of the duties and powers assigned to the Board of Directors.

ب. يتولى الرئيس ممارسة الاختصاصات المقررة له بموجب قانون تأسيس الشركة وهذا النظام وقانون الشركات والقرارات الصادرة بموجبه.

ج. يُعيّن مجلس الإدارة من، وفقاً للضوابط المعتمدة لدى الهيئة في هذا الشأن، تُناب به مهمة إعداد جدول أعمال مجلس الإدارة، وتوجيه الدعوة للأعضاء لحضور اجتماعاته، وتدوين محاضر جلساته، وقراراته وتوصياته، ومتابعة تنفيذها، وحفظها وأرشفتها، وأي مهام أخرى يتم تكليفه بها من الرئيس أو مجلس الإدارة.

د. يجب أن تتوفر في المقرر الشروط والمتطلبات المبينة في قواعد الحوكمة، ويجب أن يكون المقرر تابعاً لمجلس الإدارة بشكل مباشر، ولا يجوز عزله إلا بقرار من مجلس الإدارة.

هـ. يجوز لمجلس الإدارة أن يُشكّل من بين أعضائه لجنة أو أكثر، يُعهد إليها بعدد من المهام والصلاحيات المنوطة به، وذلك بما يتفق مع أحكام قانون تأسيس الشركة وقواعد الحوكمة.



Board of Directors Functions

Article (21)

a. The Board of Directors shall undertake the general management of the Company and its performance of all the functions and activities required to achieve its objectives. The Board of Directors shall also act on behalf of the Company within the scope of the functions assigned to it under the Company Establishment Law, the Companies Law and the resolutions issued in pursuance thereof, these Articles, and the General Assembly resolutions. In particular, the Board of Directors shall have the duties and powers to:

1. approve, and follow up the implementation of, the strategic plans and policies of the Company;
2. supervise the Company's achievement of its objectives;
3. approving the financial allowances and tariffs for the provided services and raise it to the competent department for approval.
4. Issue the regulatory and the financial, administrative, technical and procurement regulations of the Company and manage its assets;

اختصاصات مجلس الإدارة

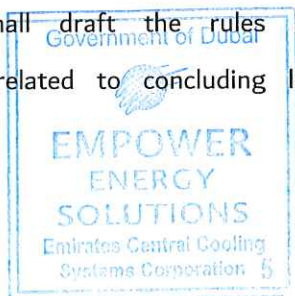
المادة (21)

أ. يتولّى مجلس الإدارة مُهمّة الإشراف العام على الشركة، وعلى قيامها بكافة الأعمال والأنشطة الكفيلة بتحقيق أغراضها والتصرّف بالتّيابة عنها، وذلك في حدود الاختصاصات المنوطة به بموجب قانون تأسيس الشركة وقانون الشركات والقرارات الصّادرة بمُوجبه وهذا النّظام وقرارات الجمعية العموميّة، ويكون لمجلس الإدارة على وجه الخصوص القيام بالمهام والصلاحيّات التالية:

1. اعتماد الخطط الاستراتيجية والسياسات الخاصّة بالشركة؛
2. الإشراف على قيام الشركة بتحقيق أغراضها؛
3. إقرار البدلات والتعرفة المالية للخدمات التي تقدمها، ورفعها للجهة المختصة في الإمارة لاعتمادها؛
4. إصدار اللوائح التنظيمية والأنظمة المالية والإدارية والفنية والشرائية للشركة وإدارة أصولها؛



5. approve the organizational structure of the Company;
 6. divide, transfer, merge, consolidate, sell and mortgage any of the Company's funds or assets, or any of its owned companies or its affiliates or subsidiaries' funds or assets; assign and dispose any of them by any legal dispositions;
 7. allow the Company and its owned companies, affiliates or subsidiaries' to initiate in any investment, borrowing and lending or issuing of warranties, guarantees, bonds, sukuk or any other debentures, in accordance with the legislations in force in the Emirate
 8. acquire and merge the companies and establishments and determine the value of the acquisition;
 9. formation of permanent and temporary and work team committees and defining their tasks and powers;
 10. conclude loan agreements for periods in excess of three (3) years; and sell or mortgage the Company's real property, assets, or movable and immovable property. In this regard, the Board of Directors shall draft the rules and regulations related to concluding loan
5. اعتماد الهيكل التنظيمي للشركة؛
 6. تقسيم ونقل وتحويل ودمج وتوحيد وبيع ورهن أي من أموال الشركة أو أصولها أو موجوداتها أو أصول أو موجودات أو أموال أي من الشركات المملوكة لها أو التابعة لها أو المنبثقة عنها، أو التنازل عن أي منها والتصرف بأي منها بكافة أشكال التصرفات القانونية؛
 7. الموافقة للشركة والشركات المملوكة لها أو التابعة لها أو المنبثقة عنها بمباشرة أي عملية استثمار أو اقتراض أو إقراض أو إصدار ضمانات أو كفالات أو سندات أو صكوك أو أي أدوات دين أخرى، وفقاً للتشريعات السارية في الإمارة؛
 8. استحواذ أو دمج الشركات والمنشآت وتحديد قيمة الاستحواذ؛
 9. تشكيل اللجان وفرق العمل الدائمة والمؤقتة، وتحديد مهامها وصلاحياتها؛
 10. عقد القروض لأجل تزيد على (3) ثلاث سنوات، وبيع أو رهن عقارات وأصول الشركة وأموالها المنقولة وغير المنقولة، على أن يتولى مجلس الإدارة إعداد الصوابط والقواعد المرتبطة بعقد القروض وبيع ورهن عقارات وأصول وأموال الشركة وعرضها على الجمعية العمومية لاعتمادها في أول اجتماع لها؛



agreements and selling or mortgaging the Company's real property, assets, or other property; and present the same to the General Assembly for approval in its first meeting;

11. agree to releasing the Company's debtors from liabilities; engage in conciliation and arbitration; agree to the application of foreign laws to any of its agreements; and establish, invest in, sell, dissolve, and liquidate fully or partially owned companies and Subsidiaries;
12. approve the terms of reference of the Board of Directors and all other relevant matters, including the allocation of functions and delegation of responsibilities to Directors; and
13. any other responsibilities as may be determined by the Articles of Association as necessary to achieve its objectives. .

- b. With the exception of the responsibilities granted to the Board of Directors under Clauses 4, 6, 7 and 8 of Paragraph (a) of this Article, the Board of Directors may delegate any of its powers stipulated in Paragraph (A) of this article or the Articles of Association to its chairman or any of its Directors or committees

11. الموافقة على إبراء ذمة مديني الشركة من التزاماتهم، وإجراء الصلح والاتفاق على التحكيم، وتطبيق القوانين الأجنبية على أي من اتفاقياتها، وتأسيس الشركات والشركات التابعة بشكل كلي أو جزئي، أو الاستثمار فيها وبيعها وحلّها وتصفيّتها؛
12. اعتماد النظام الداخلي لمجلس الإدارة وكافة الأمور المتعلقة به، بما في ذلك توزيع الاختصاصات وتفويض المسؤوليات بين أعضائه؛ و
13. أي اختصاصات أخرى يحددها النظام الأساسي، تكون لازمة لتحقيق الشركة لأغراضها.

- ب. باستثناء الاختصاصات المقررة للم بموجب البنود (4)، (6)، و (7) و (8) من الفقرة (أ) من هذه المادة يجوز لمجلس الإدارة أي من صلاحياته المنصوص عليها في الفقرة (أ) من هذه المادة أو النظام الأساسي لرئيسه أو لأي من أعضائه أو اللجان المشكلة من قبله أو للرئيس التنفيذي، على أن يكون هذا التفويض خطياً ومحدداً.



formed by it or to the CEO, provided that such delegation is made in writing and is specific.

CEO Functions

Article (22)

a. Subject to the provisions of paragraph (C) of Article (10) of the Company Establishment Law, the CEO shall have the powers and undertake the duties set out below:

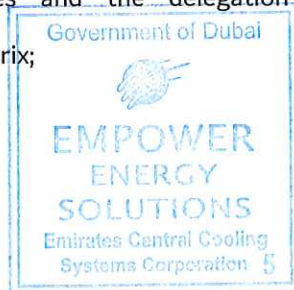
1. implement all resolutions issued by the General Assembly and the Board of Directors;
2. manage the day-to-day work of the Management and operations of the Company, and ensure the performance of the duties assigned to it under the Company Establishment Law, the Companies Law and the resolutions issued in pursuance thereof, these Articles, the legislation in force in the Emirate, and regulations applicable to the Company;
3. conclude contracts, agreements, and memoranda of understanding, and sign documents of whatever nature and type, within the powers vested in him/ her under these Articles and the delegation of authority matrix;

اختصاصات الرئيس التنفيذي

المادة (22)

أ. مع مراعاة أحكام الفقرة (ج) من المادة (10) من قانون تأسيس الشركة، يتولى الرئيس التنفيذي المهام والصلاحيات التالية:

1. تنفيذ كافة القرارات الصادرة عن الجمعية العمومية ومجلس الإدارة؛
2. تسيير الشؤون اليومية للإدارة، وإدارة عمليات الشركة، والتحقق من قيامها بالمهام المنوطة بها بموجب قانون تأسيس الشركة وقانون الشركات والقرارات الصادرة بموجبه وهذا النظام والتشريعات السارية في الإمارة واللوائح المعمول بها في الشركة؛
3. إبرام العقود والاتفاقيات ومذكرات التفاهم، والتوقيع على المستندات، مهما كانت طبيعتها ونوعها، في حدود الصلاحيات المنوطة به بموجب هذا النظام ومنظومة تفويض الصلاحيات؛



4. issue policies, decisions, and internal regulations in connection with the affairs of the Company and the Subsidiaries, except for the regulations which the Board of Directors is exclusively authorised to approve pursuant to sub-paragraph (a)(4) of Article (21) of these Articles;
 5. undertake all financial and banking functions, and make the decisions related thereto, in accordance with the powers assigned to him/ her under the regulations adopted by the Company;
 6. perform all functions assigned to him/ her under the legislation applicable to the Company, its internal regulations, and other legislation in force in the Emirate;
 7. supervise the executive body of the Company and all matters related to its human resources, including approval of the appointment of employees, determination of their salaries and remuneration, their transfer and dismissal, and all other relevant matters, in accordance with the powers stipulated in the human resources regulations adopted by the Company;
 8. recommend to the Board of Directors the nomination of the Company representatives on the boards of directors
4. إصدار السياسات والقرارات واللوائح الداخلية المتعلقة بشؤون الشركة والشركات التابعة، باستثناء اللوائح التي يختص مجلس الإدارة باعتمادها وفقاً للبند (4) من الفقرة (أ) من المادة (21) من هذا النظام؛
 5. القيام بكافة الأعمال المالية والمصرفية، واتخاذ القرارات المتعلقة بأيٍّ منها، وفقاً للصلاحيات الممنوحة به بموجب اللوائح المعتمدة لدى الشركة في هذا الشأن؛
 6. القيام بجميع الاختصاصات الممنوحة به بموجب التشريعات المعمول بها لدى الشركة ولوائحها الداخلية والتشريعات السارية في الإمارة؛
 7. الإشراف على الجهاز التنفيذي للشركة، وكافة الأمور المتعلقة بالموارد البشرية، بما في ذلك الموافقة على تعيين الموظفين، وتحديد رواتبهم ومكافآتهم ونقلهم وعزلهم وكافة الأمور المتعلقة بهم، وفقاً للصلاحيات المنصوص عليها في لائحة الموارد البشرية المعتمدة لدى الشركة؛
 8. التوصية إلى مجلس الإدارة بتسمية ممثلي الشركة في مجالس إدارة الشركات التابعة، على أن يصدر



of the Subsidiaries. The appointment of these representatives to the boards of directors of Subsidiaries shall be approved pursuant to a resolution of the Board of Directors;

9. appoint persons to represent the Company in respect of any matter related to serving its interests and protecting its rights;

10. conclude conciliation on behalf of the Company, agree to the application of foreign laws to any of the contracts and agreements concluded by the Company and the Subsidiaries, file lawsuits and appoint attorneys, and conclude judicial and legal settlements in accordance with the Board of Directors resolutions and with a view to serving the Company's interests; and

11. carry out any other duties or powers delegated or assigned to him/ her by the General Assembly, the Chairperson, or the Board of Directors.

- b. The CEO shall exercise the duties and powers assigned to him under paragraph (a) of this Article in accordance with the relevant delegation of authority matrix approved by the Board of Directors.

- c. In accordance with work requirements, the CEO may delegate any of his/ her powers under

باعتتماد تعيينهم في مجالس إدارة هذه الشركات قرار من مجلس الإدارة؛

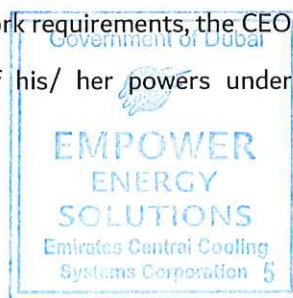
9. توكيل الغير في تمثيل الشركة في أي مسألة تتعلق بتحقيق مصالحها والدفاع عن حقوقها؛

10. إتمام إجراءات عقد المصالحة بالنّابة عن الشركة، وتطبيق القوانين الأجنبية على أي من العقود أو الاتفاقيات التي تُبرمها الشركة والشركات التابعة، ورفع الدعاوى القضائية، وتوكيل المحامين، وإجراء التسويات والمُخالصات القضائية والقانونية، بما يتوافق مع قرارات مجلس الإدارة ويُحقّق مصالح الشركة؛ و

11. أي مهام أو صلاحيات أخرى يتم تفويضه أو تكليفه بها من الجمعية العمومية أو الرئيس أو مجلس الإدارة.

- ب. يُمارس الرئيس التنفيذي المهام والصلاحيات المنوطة به بموجب الفقرة (أ) من هذه المادة وفقاً لمنظومة تفويض الصلاحيات التي يعتمدها مجلس الإدارة في هذا الشأن.

- ج. يجوز للرئيس التنفيذي تفويض أي من الصلاحيات المنوطة به بموجب الفقرة (أ) من هذه المادة إلى أي من



paragraph (a) of this Article to any of the Company employees with a view to serving the interests of the Company and the Subsidiaries, provided that such delegation is specific, in writing, and in accordance with the delegation of authority matrix approved by the Board of Directors.

Board of Directors Meetings

Article (23)

The Board of Directors shall be convened, at least four (4) times a year and where necessary, at the invitation of its Chairperson, or vice chairperson in case of absence of the Chairperson, at the time and place he/she determines. The meetings of the Board of Directors may be held through audio or videoconferencing facilities. The invitation shall be sent, together with the approved agenda, at least seven (7) UAE business days before and excluding the date scheduled for the meeting. Any Director may request the addition of any items to the agenda to be discussed at the meeting subject to approval of the request by the chair of the meeting.

Validity of Meetings and Resolutions of the Board of Directors

Article (24)

- a. A meeting of the Board of Directors or any of its committees shall be valid if attended by the



موظفي الشركة، وفقاً لمتطلبات العمل، وبما يخدم مصلحة الشركة والشركات التابعة، على أن يكون ذلك التفويض خطياً ومحددًا ومتوافقاً مع منظومة تفويض الصلاحيات التي يعتمدها مجلس الإدارة.

اجتماعات مجلس الإدارة

المادة (23)

يجتمع مجلس الإدارة بدعوة من الرئيس، أو نائب الرئيس في حال غيابه، (4) أربعة اجتماعات في السنة على الأقل، أو كلما دعت الحاجة إلى ذلك، في المكان والزمان اللذين يُحددهما، ويجوز أن تُعقد اجتماعات مجلس الإدارة عن طريق وسائل الاتصال المسموعة أو المرئية، ويتم توجيه الدعوة قبل أسبوع على الأقل من الموعد المحدد لعقد الاجتماع، مُرفقاً بها جدول الأعمال المُعتمد، ويجوز للعضو طلب إضافة أي موضوع لمناقشته خلال الاجتماع، وذلك بعد الحصول على موافقة رئيس الاجتماع على الطلب.

صحة اجتماعات وقرارات مجلس الإدارة

المادة (24)

- أ. يكون اجتماع مجلس الإدارة أو أي من اللجان التابعة له صحيحاً بحضور أغلبية الأعضاء وبحضور رئيس مجلس



majority of its members and the attendance of the Chairperson. Attendance shall be in person, by being physically present or through videoconferencing or any other audio-visual media as may be approved by the Board of Directors or its committees. A Director may give a written proxy to another Director to attend a meeting of the Board of Directors or its committee and vote on his/ her behalf. In such a case, such Director shall have two (2) votes out of the votes of attending members. A Director may not hold more than one proxy at any meeting, and no Director shall vote by way of correspondence.

- b. The resolutions of the Board of Directors shall be passed by majority vote of its members or their representatives. In case of a tie, the chair of the meeting shall have a casting vote.

Minutes of Meetings of the Board of Directors

Article (25)

- a. All topics and issues considered and discussed, and decisions made, shall be recorded in the minutes of meetings of the Board of Directors or its committees. Any reservations made by any Director or any dissenting opinions shall also be recorded in these minutes.
- b. Attending Directors and the Secretary shall sign the minutes of meetings of the Board of

الإدارة، ويكون الحضور شخصياً بالتواجد الفعلي أو من خلال التقنية الصوتية أو تقنية الصوت والفيديو أو أي وسيلة تواصل مرئية أخرى يعتمدها مجلس الإدارة أو اللجنة التابعة له، ويجوز للعضو أن يُنيب عنه بشكل خطي عضواً آخر لحضور اجتماع مجلس الإدارة والتصويت على قراراته، وفي هذه الحالة يُحسب لهذا العضو صوتين (2) من مجموع أصوات الأعضاء الحاضرين، ولا يجوز أن يحمل العضو الواحد أكثر من إنابة واحدة في أي اجتماع، كما لا يجوز له التصويت بالمراسلة.

- ب. تصدر قرارات مجلس الإدارة بأغلبية أصوات الأعضاء أو الممثلين عنهم، وفي حال تساوي الأصوات يُرجح الجانب الذي صوت منه رئيس الاجتماع.

محاضر اجتماعات مجلس الإدارة

المادة (25)

- أ. تُدون جميع المواضيع والمسائل التي تم بحثها ومناقشتها، والقرارات التي تم اتخاذها، في محاضر اجتماعات مجلس الإدارة أو اللجنة التابعة له، على أن تُدون أي تحفظات يُبديها أي من الأعضاء أو الآراء المخالفة في تلك المحاضر.

- ب. يقوم الأعضاء الحاضرين والمقرر، بالتوقيع على محاضر اجتماعات مجلس الإدارة أو اللجنة التابعة له، سواء كان



Directors or its committee whether with their own hands or electronically. Once approved, copies of these minutes shall be distributed to the Directors for their record.

التوقيع خطياً أو إلكترونياً، على أن يتم توزيع نُسخ من هذه المحاضر على الأعضاء بعد اعتمادها للاحتفاظ بها.

- c. The minutes of meetings of the Board of Directors and its committees shall be maintained by the Secretary. Where a Director refuses to sign any minutes of meeting, this shall be recorded in the minutes together with any reasons provided for the refusal.

ج. تُحفظ محاضر اجتماعات مجلس الإدارة واللجنة التابعة له لدى المُقرّر، وفي حال امتناع أي من الأعضاء عن التوقيع على محضر الاجتماع، فإنّه يُثبت اعتراضه في المحضر وتُذكر أسباب الاعتراض في حال إبدائها.

Adoption of Resolutions by Circulation

الموافقة على القرارات بالتمرير

Article (26)

المادة (26)

Without prejudice to the quorum required for convening the Board of Directors, the Board of Directors may approve certain resolutions or recommendations by circulation, subject to the following:

دون الإخلال بالنصاب القانوني المطلوب لاجتماع مجلس الإدارة أو اللجنة التابعة له، يجوز الموافقة على بعض القرارات والتوصيات بالتمرير، على أن يُراعى في ذلك ما يلي:

1. The majority of the Directors acknowledge the existence of an emergency requiring issuing resolutions or recommendations by circulation.
2. The resolutions and recommendations required for circulation amongst Directors must be in writing and accompanied by all related documents.

1. موافقة أعضاء مجلس الإدارة أو اللجنة التابعة له بالأغلبية على وجود حالة عاجلة تستدعي إصدار القرار أو التوصية بالتمرير.

2. أن تكون القرارات والتوصيات المطلوب تمريرها على أعضاء مجلس الإدارة أو اللجنة التابعة له مكتوبة، ومُرفقة بها كافة المُستندات والوثائق ذات الصلة.

Certified Copies of Minutes of Meetings

النُسخ المُصدّقة من محاضر الاجتماعات

Article (27)

المادة (27)



The Chairperson, the CEO, the Secretary, and the Company's legal advisor are hereby authorised, jointly or severally, to provide certified copies of the minutes of meetings of the Board of Directors, to sign these copies, to confirm that they are certified true copies of the original minutes, and to date these certified copies. Any party dealing with the Company may rely on any of the certified copies as a true copy of the original document.

Conflict of Interests

Article (28)

The Chairperson and Directors must avoid any conflict of interest that may arise as a result of their membership in the Board of Directors or any of its committees, avoid any act that may raise any suspicions of conflict of interest, and disclose any conflicts of interest or any suspicion thereof. In particular, they must refrain from the following:

1. participating in any discussion or vote on, or impacting in any way whatsoever, any decision, recommendation, or procedure in which they or their spouses or relatives up to the fourth degree have any direct or indirect interest;
2. exploiting their membership in the Board of Directors or its committee, disclosing any information they obtain as a result of that membership in order to achieve specific

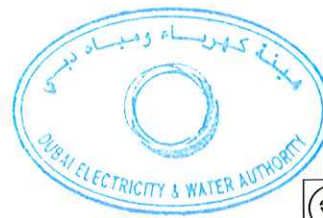
يُخَوَّلُ كُلًّا مِنَ الرَّئِيسِ وَالرَّئِيسِ التَّنْفِيزِيِّ وَالْمُقَرَّرِ وَالْمُسْتَشَارِ الْقَانُونِيِّ لِلشَّرْكَةِ، مُنْفَرِدِينَ أَوْ مُجْتَمِعِينَ، بِتَقْدِيمِ نُسْخِ مُصَدَّقٍ عَلَيْهَا لِمَحَاضِرِ اجْتِمَاعَاتِ مَجْلِسِ الْإِدَارَةِ، وَالتَّوْقِيعِ عَلَى هَذِهِ النُّسْخِ، وَالْإِشَارَةِ إِلَى أَنَّهَا نُسْخَةٌ طَبَقَ الْأَصْلَ مِنْ مُحَضَرِ الْاجْتِمَاعِ الْأَصْلِيِّ، مَعَ تَارِيخِ التَّصْدِيقِ عَلَيْهَا، وَيَجُوزُ لِأَيِّ طَرَفٍ يَتَعَامَلُ مَعَ الشَّرْكَةِ الْاِحْتِجَاجَ بِأَيِّ مِنَ النُّسْخِ الْمُصَدَّقِ عَلَيْهَا أَمَامَ الْغَيْرِ، بِاعْتِبَارِهَا نُسْخَةً طَبَقَ الْأَصْلَ عَنِ الْمُسْتَدَنِّ الْأَصْلِيِّ.

تضارب المصالح

المادة (28)

على الرَّئِيسِ والأعضاء تجبُّبُ أيِّ تضاربٍ في المصالح قد يقع بسبب عُضْوِيَّتِهِمْ فِي مَجْلِسِ الْإِدَارَةِ أَوْ أَيِّ مِنَ اللِّجَانِ التَّابِعَةِ لَهُ، وَأَنْ يَتَجَنَّبُوا أَيَّ عَمَلٍ قَدْ يُثَارِ بِشَأْنِهِ أَيُّ شَكُوكٍ بِتَضَارُبِ الْمَصَالِحِ، وَالْإِفْصَاحِ عَنْ وَجُودِ أَيِّ مِنْ حَالَاتِ تَضَارُبِ الْمَصَالِحِ أَوْ وَجُودِ أَيِّ شُبْهَةٍ بِشَأْنِهَا، وَعَلَيْهِمُ الْامْتِنَاعُ بِشَكْلِ خَاصٍّ عَمَّا يَلِي:

1. الاشتراك في أي نقاش أو التصويت أو التأثير بأي صورة من الصور على أي قرار أو توصية أو إجراء قد يكون له أو لزوجته أو لأي من أقاربه حتى الدرجة الرابعة مصلحة مباشرة أو غير مباشرة فيه؛
2. استغلال عُضْوِيَّتِهِ فِي مَجْلِسِ الْإِدَارَةِ أَوْ اللِّجْنَةِ التَّابِعَةِ لَهُ أَوْ نَشْرَ أَيِّ مَعْلُومَاتٍ حَصَلَ عَلَيْهَا بِحُكْمِ هَذِهِ الْعُضْوِيَّةِ، لِتَحْقِيقِ أَهْدَافٍ مُعَيَّنَةٍ أَوْ الْحُصُولِ عَلَى خِدْمَةٍ أَوْ مُعَامَلَةٍ خَاصَّةٍ؛



objectives or receive a special service or treatment;

3. participating in any process, procedure, or decision that may affect their objectivity, impartiality, or independence in performing their duties; and
4. being involved in any of the conflicts of interest stipulated in the Companies Law and the resolutions issued in pursuance thereof, and in other legislation in force in the Emirate.

Any resolutions issued in violation of this Article shall be deemed null and void.

Disclosure of Conflicts of Interest

Article (29)

- a. Conflicts of interest must be disclosed by the concerned Director in the minutes of meeting of the Board of Directors or its committee. The Secretary must record that disclosure in a register maintained for this purpose, update this register on a regular basis, and present it to the Chairperson and Directors for perusal.
- b. The Board of Directors shall have the right to consider any conflict of interest a Director may be involved in and make the relevant decision by majority vote of attending Directors. The Director involved in the conflict of interest may not vote on the relevant decision.



3. الاشتراك في أي عملية أو إجراء أو قرار من شأنه التأثير على تأدية مهامه بموضوعية واستقلالية وجيادية؛ و

4. أي من حالات تضارب المصالح المنصوص عليها في قانون الشركات والقرارات الصادرة بموجبه والتشريعات السارية في الإمارة.

وتُعتبر القرارات الصادرة بالمخالفة لأحكام هذه المادة باطلة.

الإفصاح عن تضارب المصالح

المادة (29)

- أ. يتم الإفصاح عن تضارب المصالح من العضو المعني في محضر اجتماع مجلس الإدارة أو اللجنة التابعة له، وعلى المقرر تسجيل هذا الإفصاح في سجل خاص، يتم تحديثه من قبله بشكل دوري، وإطلاع الرئيس والأعضاء عليه.
- ب. يحق لمجلس الإدارة البحث في أي تضارب للمصالح قد يتحقق لدى العضو، على أن يتخذ هذا القرار بأغلبية أصوات الأعضاء الحاضرين، ولا يجوز للعضو المعني بتضارب المصالح الاشتراك في التصويت على هذا القرار.



- c. Where a Director fails or refuses to disclose to the Board of Directors a conflict of interest related to a dealing or transaction to which the Company is a party, the Company or any of its Shareholders may request the Board of Directors, the Competent Authority, or the competent court to rescind such dealing or transaction and require the violating Director to return to the Company any profit or benefit derived from the relevant dealing or transaction.

ج. في حال تخلف العضو أو امتناعه عن الإفصاح لمجلس الإدارة عن تضارب المصالح لديه في صفقة أو تعامل تكون الشركة أحد أطرافها، فإنه يحق للشركة أو لأي من مساهميها التقدم لمجلس الإدارة أو السلطة المختصة أو المحكمة المختصة لإبطال تلك الصفقة أو التعامل وإلزام العضو المخالف بأداء أي ربح أو فائدة أو منفعة كانت قد تحققت له نتيجة هذه الصفقة أو التعامل، وردّها إلى الشركة.

Termination of Membership in the Board of Directors

Article (30)

Membership in the Board of Directors will terminate in any of the following cases:

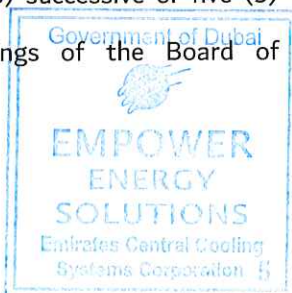
1. death, legal incapacity, or inability to carry on duties;
2. conviction of any felony or other crime affecting honour or trustworthiness;
3. resignation pursuant to a written notice served on the Chairperson;
4. dismissal by a resolution of the General Assembly; or
5. absence, during the tenure of the Board of Directors, for three (3) successive or five (5) non-successive meetings of the Board of

انتهاء العضوية في مجلس الإدارة

المادة (30)

تنتهي العضوية في مجلس الإدارة، في حال تحقق أي من الأسباب التالية:

1. الوفاة، أو الإصابة بأي من عوارض الأهلية، أو العجز عن أداء المهام؛
2. الإدانة بأي جريمة مُخلّة بالشرف أو الأمانة؛
3. الاستقالة، بموجب إشعار خطي يُوجّه إلى الرئيس؛
4. صدور قرار من الجمعية العمومية بالعزل؛ أو
5. الغياب عن حضور اجتماعات مجلس الإدارة (3) ثلاث جلسات متتالية، أو (5) خمس جلسات متقطعة، خلال مدة ولاية مجلس الإدارة، دون عذر يقبله الرئيس.



Directors, without an excuse acceptable to the Chairperson.

Personal Liability of Directors

Article (31)

Subject to the provisions of Article (32) of these Articles, a Director may not be personally liable for any obligations of the Company as a result of performing his/ her duties as Director, to the extent that he/ she does not exceed his/ her authority.

Liability of the Board of Directors and the Company

Article (32)

- The Board of Directors and/or the Management shall be held liable towards the Company, Shareholders, and third parties for all acts of fraud or abuse of powers, resulting from resolutions issued by it, in the manner set out in paragraph (b) of this Article and for any breach of the legislation in force or these Articles. Any provision to the contrary shall be invalid.
- The liability of Directors referred to in paragraph (a) of this Article will be joint liability if it arises from a unanimous resolution of the Board of Directors. However, where the relevant resolution is adopted by majority vote, the Directors who have objected to the resolution or made reservations thereon shall

المسؤولية الشخصية للعضو

المادة (31)

مع مُراعاة أحكام المادة (32) من هذا النظام، لا يكون العضو مسؤولاً بشكل شخصي عن أي من التزامات الشركة الناتجة عن قيامه بواجباته كعضو، وذلك بالقدر الذي لا يتجاوز فيه حدود اختصاصه.

مسؤولية مجلس الإدارة والشركة

المادة (32)

- أ. يكون كل من مجلس الإدارة و/ أو الإدارة مسؤولين تجاه الشركة والمساهمين والغير عن جميع أعمال الغش وإساءة استعمال السلطة الناتجة عن القرارات الصادرة عنهم على النحو المبين في الفقرة (ب) من هذه المادة، وأي مخالفة لأحكام التشريعات السارية وهذا النظام، ويقع باطلاً كل شرط يقضي بخلاف ذلك.
- ب. تكون مسؤولية الأعضاء في مجلس الإدارة المشار إليها في الفقرة (أ) من هذه المادة تضامنية، إذا كانت ناتجة عن أي قرار صدر عن مجلس الإدارة بالإجماع، أما إذا كان هذا القرار صادراً بالأغلبية، فلا يُسأل عنه الأعضاء الذين عارضوا القرار أو تحفظوا عليه، متى كانوا قد أثبتوا اعتراضهم أو تحفظهم كتابياً في محضر الاجتماع، وإذا

not be held liable for the same, provided that they have recorded their objection or reservation in writing in the minutes of the meeting in which the resolution was adopted. A Director who was absent from the meeting in which the resolution was adopted shall not be relieved from liability unless it is proven that he had no knowledge of the resolution or that he knew about the resolution but had not been able to object to it.

- c. The Management shall bear the liability specified in paragraph (a) of this Article if the breach arises from a decision issued by it.

- d. The Company shall, to the extent of the value of its assets, indemnify the Directors and the members of the Management of the Company against any liability, with the exception of criminal liability, incurred by them as a result of or in connection with the performance of their duties in the Company, provided that these Directors or members have been acting in good faith and in a manner they reasonably believed to be in the best interests of the Company. Nonetheless, no indemnification shall be made in respect of any claim or matter as to which that Director or member has been finally adjudged by a competent court to be liable towards the Company. In all events, the

تغيب أحد الأعضاء عن الاجتماع الذي صدر فيه القرار، فلا تنفي مسؤوليته إلا إذا ثبت عدم علمه بالقرار أو علمه به مع عدم استطاعته الاعتراض عليه،

- ج. وتقع المسؤولية المنصوص عليها في الفقرة (أ) من هذه المادة على الإدارة إذا كانت المخالفة بسبب قرار صادر عنها.

- د. تكون الشركة مسؤولة، في حدود موجوداتها، عن تعويض العضو أو أي من أعضاء الإدارة، عن أي مسؤولية يتحملها، باستثناء المسؤولية الجنائية، نتيجة القيام بواجبات عضويته أو بسببها، شريطة أن يكون العضو قد قام بهذا الفعل بحسن نية، واعتقاده أن ما قام به لا يتعارض مع مصالح الشركة، شريطة مراعاة عدم صرف أي تعويض لهذا العضو نتيجة أي مطالبة أو مسألة تثبت مسؤوليته عنها تجاه الشركة بمقتضى حكم نهائي صادر عن المحكمة المختصة، وفي جميع الأحوال، يجب على الشركة توفير التغطية التأمينية اللازمة عن أي مسؤولية لمجلس الإدارة والإدارة.

Government of Dubai

EMPOWER
ENERGY
SOLUTIONS
Emirates Central Cooling
Systems Corporation

Company shall maintain the necessary insurance coverage in respect of the Board of Directors and Management liability.

Provision of Loans

Article (33)

- The Company may not provide any loans to any Director or execute guarantees or provide any securities in connection with any loans granted to him/her. A loan shall be deemed as granted to a Director if granted to his/ her spouse, children, or relatives up to the second degree.
- No loan may be granted to a company in which a Director or his/ her spouse, children, or relatives up to the second degree hold more than twenty percent (20%) of the share capital.

Transactions and Dealings of Related Parties

Article (34)

- The Related Parties shall not use any information to which they have access by reason of their membership in the Board of Directors or employment with the Company to achieve any interest whatsoever for themselves or for third parties through dealing in the securities of the Company or any other transactions. The Related Parties may not have a direct or indirect interest with any party entering into transactions intended to influence

تقديم القروض

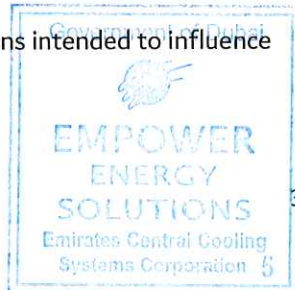
المادة (33)

- لا يجوز للشركة تقديم قروض لأي من الأعضاء، أو عقد كفالات أو تقديم أي ضمانات تتعلق بقروض ممنوحة لأي منهم، ويُعتبر قرضاً مقدماً للعضو كل قرض مُقدم إلى زوجه أو أبنائه أو أي قريب له حتى الدرجة الثانية.
- لا يجوز تقديم قرض إلى شركة يملك فيها العضو، أو زوجه أو أبنائه أو أي من أقاربه حتى الدرجة الثانية أكثر من (20%) عشرين بالمائة من رأسمالها.

صفقات وتعاملات الأطراف ذوي العلاقة

المادة (34)

- يُحظر على الأطراف ذوي العلاقة أن يستغل أيّاً منهم ما اتصل به من معلومات بحكم عضويته في مجلس الإدارة أو وظيفته في الشركة لتحقيق مصلحة له أو للغير، سواء كانت نتيجة التعامل في الأوراق المالية للشركة أو غيرها من المعاملات، كما لا يجوز للأطراف ذوي العلاقة أن يكون لهم مصلحة مباشرة أو غير مباشرة مع أي طرف يقوم بعمليات يُراد بها إحداث تأثير في أسعار الأوراق المالية الخاصة بالشركة أو التي أصدرتها.



the price of the securities of the Company or those issued by it.

- b. Transactions with Related Parties shall be governed by an internal policy approved by the Board of Directors. The Auditor shall state in his/ her annual report any conflicts of interest or financial dealings that have taken place between the Company and any Related Parties, and the action taken in this respect.

Remuneration of Directors

Article (35)

- a. The remuneration of Directors shall be calculated as a percentage of the net profits of the Company and may not exceed two percent (2%) of the net profits for the relevant financial year after deducting the depreciation allowance and reserves.
- b. Subject to obtaining the approval of the General Assembly, the Board of Directors may pay a Director his/ her remuneration as a lump sum not exceeding two hundred thousand dirhams (AED 200,000) at the end of the financial year in the following cases:
1. if the Company is not making a profit; and
 2. if the Company makes profits but the Director's remuneration calculated as a

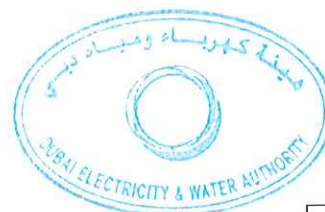
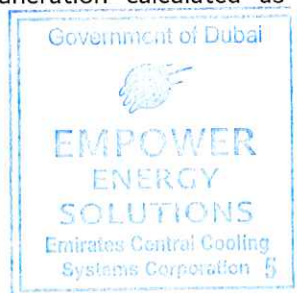
ب. تخضع الصفقات مع الأطراف ذوي العلاقة للسياسة الداخلية التي يعتمدها مجلس الإدارة، ويتعين على مُدقق الحسابات أن يشمل في تقريره السنوي على بيان بكافة حالات تضارب المصالح والتعاملات المالية التي تمت بين الشركة وأي من الأطراف ذوي العلاقة، والإجراءات التي أُتخذت بشأنها.

مُكَافأة أعضاء مجلس الإدارة

المادة (35)

- أ. تتكوّن مُكَافأة الأعضاء من نسبة مئويّة من الرّبح الصّافي، على ألا تتجاوز هذه المُكَافأة (2%) اثنين بالمائة من الأرباح الصّافية للسّنة الماليّة المعنّية بعد خصم الاستهلاك والاحتياطيات.
- ب. يجوز لمجلس الإدارة، بعد الحُصول على مُوافقة الجمعية العموميّة، أن يصرف للعضو مبلغ مقطوع لا يتجاوز (200,000) مئتي ألف درهم في نهاية السّنة الماليّة، وذلك في أي من الحالتين التّاليتين:

1. عدم تحقيق الشركة للأرباح؛ و
2. إذا حققت الشركة أرباحاً، وكان نصيب العضو من هذه الأرباح أقل من (200,000) مئتي ألف درهم.



percentage of these profits is less than two hundred thousand dirhams (AED 200,000).

Dismissal of Directors

Article (36)

Without prejudice to the provisions of the Company Establishment Law, and the provisions of Article (18) of these Articles, the General Assembly may dismiss all or any of the elected Directors and solicit candidates for the election of new Directors in their places in accordance with the Governance Rules. A dismissed Director may not stand for election or be re-elected as a Director for at least three (3) years from the date of dismissal.

PART FIVE

General Assembly

Convening the General Assembly

Article (37)

A General Assembly shall be duly convened in the Emirate, where the Shareholders owning more than fifty percent (50%) of the share capital of the Company are in attendance. If the quorum is not present in the first General Assembly meeting, an invitation for a second meeting shall be sent, and that meeting shall be convened no earlier than five (5) days and no later than fifteen (15) days from the scheduled date of the first meeting. The second General Assembly meeting shall be deemed duly

عزل أعضاء مجلس الإدارة

المادة (36)

دون الإخلال بأحكام قانون تأسيس الشركة وأحكام المادة (18) من هذا النظام، يكون للجمعية العمومية الحق في عزل كل أو بعض أعضاء مجلس الإدارة المنتخبين، وفتح باب الترشيح وانتخاب أعضاء جدد بدلاً منهم وفقاً لقواعد الحوكمة، ولا يجوز ترشيح أو إعادة ترشيح الأعضاء الذين تم عزلهم، إلا بعد مضي (3) ثلاث سنوات من تاريخ العزل.

الباب الخامس

الجمعية العمومية

انعقاد الجمعية العمومية

المادة (37)

تتعقد الجمعية العمومية أصولاً في الإمارة، بحضور مساهمين يمثلون ما يزيد على (50%) خمسين بالمائة من رأسمال الشركة، فإذا لم يتحقق هذا النصاب في الاجتماع الأول، وجب دعوة الجمعية العمومية إلى اجتماع ثانٍ يُعقد بعد مضي مدة لا تقل عن (5) خمسة أيام ولا تُجاوز (15) خمسة عشر يوماً من التاريخ المحدد لعقد الاجتماع الأول، ويُعتبر الاجتماع الثاني صحيحاً أيّاً كان عدد المساهمين الحاضرين.

convened regardless of the number of Shareholders in attendance.

Attending the General Assembly

Article (38)

- a. Each Shareholder shall have the right to attend a General Assembly, and each Shareholder shall have a number of votes equal to the number of his/ her shares. A Shareholder may authorise any person to attend the General Assembly on his/ her behalf, provided that such person is not a Board Director, an employee of the Company, or a brokerage company or any of such brokerage company's employees. Such authorisation shall be valid only if it is documented in a written proxy in accordance with the relevant conditions stipulated by the Board of Directors. The number of shares represented by a proxy for multiple Shareholders may not exceed five percent (5%) of the Company's share capital. Shareholders lacking legal capacity and legally incapacitated Shareholders shall be represented by their legal representatives.

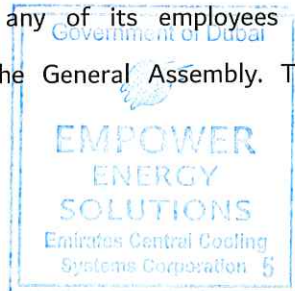
- b. A legal person may, pursuant to a resolution of its board of directors or its assignee, delegate a representative, a person in charge of its management, or any of its employees to represent it in the General Assembly. The

حضور الجمعية العمومية

المادة (38)

- أ. لكل مساهم الحق في حضور الجمعية العمومية، ويكون له عدد من الأصوات يُعادل عدد أسهمه، ولكل مساهم أن يُنيب عنه غيره في حضور الجمعية العمومية من غير أعضاء مجلس الإدارة أو موظفي الشركة أو شركات الوساطة في الأوراق المالية أو أي من موظفي تلك الشركات، ويُشترط لصحة النيابة أن تكون ثابتة بتوكيل كتابي خاص وفق الشروط التي يحددها مجلس الإدارة، على ألا يكون الوكيل لعدد من المساهمين حائزاً بهذه الصفة على أكثر من (5%) خمسة بالمائة من رأسمال الشركة، ويمثل ناقصي الأهلية وفاقديها من يمثلهم قانوناً.

- ب. يحق للشخص الاعتباري أن يفوض أحد ممثليه أو القائمين على إدارته أو موظفيه بموجب قرار من مجلس إدارته، أو من يقوم مقامه، ليمثله في حضور الجمعية



delegated person shall have the powers determined in the delegating resolution.

العمومية، ويكون للشخص المفوض الصلاحيات المقررة بموجب هذا التفويض.

Invitations to General Assembly

الدعوة لحضور الجمعية العمومية

Article (39)

المادة (39)

- a. An invitation to attend a General Assembly shall be served on Shareholders, after obtaining the approval from the SCA, through announcement in two (2) daily local newspapers, one issued in Arabic and the other in English, and by email, short message service (SMS), or registered mail, at least twenty-one (21) days prior to the date scheduled for the meeting. The invitation must contain the agenda of the General Assembly meeting. A copy of the invitation shall be sent to the SCA and the Competent Authority.

أ. تُوجّه الدعوة إلى المساهمين لحضور الجمعية العمومية بالإعلان في صحيفتين يوميتين محليتين، تصدران باللغة العربية والإنجليزية، ورسالة عبر البريد الإلكتروني أو رسالة نصية قصيرة عبر الهاتف أو بالبريد المسجل، قبل الموعد المحدد للاجتماع بـ (21) واحد وعشرين يوماً على الأقل، وذلك بعد الحصول على موافقة الهيئة، ويجب أن تتضمن الدعوة جدول أعمال ذلك الاجتماع، وتُرسل صورة من أوراق الدعوة إلى كل من الهيئة والسلطة المختصة.

- b. General Assembly meetings and Shareholders' participation in its deliberations and voting on its resolutions may be conducted using modern electronic means for distance participation, in accordance with the relevant rules and procedures adopted by the SCA.

ب. يجوز عقد الجمعية العمومية واشتراك المساهم في مداولاتها والتصويت على قراراتها بواسطة وسائل التقنية الحديثة للحضور عن بُعد، وفقاً للضوابط والإجراءات التي تعتمدها الهيئة في هذا الشأن.

Convocation of the General Assembly

دعوة الجمعية العمومية للانعقاد

Article (40)

المادة (40)

A General Assembly shall be convened by:

تتعد الجمعية العمومية بدعوة من:



1. the Board of Directors, at least once a year within the four (4) months following the end of each financial year;
2. the Board of Directors, where necessary, upon a request of the Auditor, or of one or more Shareholders holding not less than ten percent (10%) of the share capital request a meeting. In case of request for meeting, the Board of Directors shall convene a General Assembly meeting within five (5) days from the date of submitting the request. The meeting shall be held within thirty (30) days from the date of its invitation;
3. the Auditor directly, if the Board of Directors fails to send an invitation to convene the General Assembly while this is required under the Companies Law and the resolutions issued in pursuance thereof, or within five (5) days from the date of submission of a request for meeting by the Auditor to the Board of Directors; or
4. the SCA, within five (5) days from the date of its request to the Board of Directors to convene the General Assembly in the following cases:
 - a. the lapse of thirty (30) days after the date prescribed for the General Assembly meeting, or lapse of four (4) months after the end of the financial year, without the

1. مجلس الإدارة، مرة واحدة على الأقل في السنة، وخلال الأشهر الأربعة التالية لنهاية السنة المالية؛
2. مجلس الإدارة، كلما دعت الحاجة إلى ذلك، أو بناءً على طلب مُدقق الحسابات، أو إذا طلب مُساهم أو أكثر ممن يملكون (10%) عشرة بالمائة كحد أدنى من رأسمال الشركة، وفي هذه الحالة يجب على مجلس الإدارة دعوة الجمعية العمومية للانعقاد خلال (5) خمسة أيام من تاريخ تقديم الطلب إليها، على أن يُعقد الاجتماع خلال مدة لا تتجاوز (30) ثلاثين يوماً من تاريخ الدعوة للاجتماع؛
3. مُدقق الحسابات بشكل مباشر، إذا أغفل مجلس الإدارة توجيه الدعوة للجمعية العمومية للانعقاد في الأحوال التي يُوجب قانون الشركات والقرارات الصادرة بموجبه دعوتها فيها، أو خلال (5) خمسة أيام من تاريخ تقديم مُدقق الحسابات طلب توجيه الدعوة لمجلس الإدارة ولم يُقْم بذلك؛ أو
4. للهيئة وبعد (5) خمسة أيام من تاريخ طلبها من مجلس الإدارة، أن تدعو الجمعية العمومية للانعقاد في أي من الحالات التالية:
 - أ. إذا مضى (30) ثلاثين يوماً على الموعد المُحدّد لانعقادها، أو بمضي (4) أربعة أشهر على انتهاء السنة المالية، دون أن يقوم مجلس الإدارة بدعوة الجمعية العمومية للانعقاد؛

Board of Directors sending an invitation to the meeting;

- b. if the number of Directors no longer constitutes a quorum; ب. إذا نقص عدد الأعضاء عن الحد الأدنى لصحة انعقاد مجلس الإدارة؛
- c. where it is established to the Company's satisfaction, at any time, that violations of the Companies Law or the resolutions issued in pursuance thereof, or of these Articles, have been committed, or substantial errors in managing the Company have been made; or ج. إذا تبين لها في أي وقت وقوع مخالفة لقانون الشركات والقرارات الصادرة بموجبه أو لهذا النظام أو وقوع أخطاء جوهريّة في إدارتها؛ أو
- d. if the Board of Directors fails to convene a meeting of the General Assembly requested by one or more Shareholders representing ten percent (10%) or more of the share capital of the Company. د. إذا تقاعس مجلس الإدارة عن دعوة الجمعية العموميّة للانعقاد، رغم طلب مساهم أو أكثر يُمثّلون (10%) عشرة بالمائة من رأسمال الشركة.

Matters to be Presented to the General Assembly

المواضيع المعروضة على الجمعية العموميّة

Assembly

المادة (41)

Article (41)

The following items shall, as applicable, be considered and included on the agenda of the annual General Assembly for action:

يُعرض على الجمعية العموميّة في اجتماعها السنوي، المواضيع التالية للبت فيها وحسبما يقتضي الأمر:

1. the report of the Board of Directors on the activities of the Company and its financial position throughout the year; and the report of the Auditor, for approval;

1. تقرير مجلس الإدارة عن نشاط الشركة ومركزها المالي خلال السنة، وتقرير مُدقّق الحسابات والتصديق عليهما؛



2. the balance sheet and profit and loss account, مناقشة ميزانية الشركة وحساب الأرباح والخسائر والتصديق عليهما؛
3. election of Directors, where necessary; انتخاب الأعضاء عند الاقتضاء؛
4. appointment of Auditors and determining their remuneration; تعيين مدققي الحسابات وتحديد أتعابهم؛
5. the proposals of the Board of Directors concerning the distribution of profits, whether as cash dividends or bonus shares, for consideration; النظر في مقترحات مجلس الإدارة بشأن توزيع الأرباح، سواء كانت أرباح نقدية أو أسهم منحة؛
6. the proposals of the Board of Directors concerning the remuneration of Directors and determination of the same in accordance with the provisions of these Articles, for consideration; النظر في مقترحات مجلس الإدارة بشأن مكافآت الأعضاء وتحديد هذا النظام؛
7. discharge the Board Directors from liability or not and to dismiss them and sue them for liability, as the case may be; and النظر في إبراء ذمة أعضاء مجلس الإدارة أو عدم إبراء ذمتهم وعزلهم ورفع دعوى المسؤولية عليهم حسب الأحوال؛ و
8. discharge the Auditors from liability or not and to dismiss them and sue them for liability, as the case may be. النظر في إبراء ذمة مدققي الحسابات أو عدم إبراء ذمتهم وعزلهم ورفع دعوى المسؤولية عليهم حسب الأحوال

Registration for Attending the General

Assembly

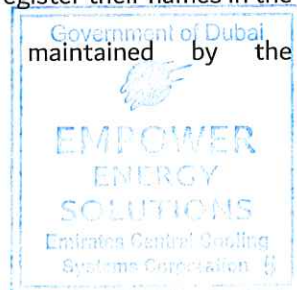
Article (42)

- a. The Shareholders wishing to attend a General Assembly meeting must, within sufficient time prior to the meeting, register their names in the electronic register maintained by the

التسجيل لحضور الجمعية العمومية

المادة (42)

- أ. على المساهمين الذين يرغبون في حضور الجمعية العمومية، تسجيل أسمائهم في السجل الإلكتروني الذي تُعده الإدارة لهذا الغرض، قبل الوقت المحدد لانعقاد الجمعية العمومية بوقت كاف، ويجب أن يتضمن هذا



Management for this purpose. This register must include the name of the Shareholder or his/ her proxy; the number of shares owned by the Shareholder, or the number of the shares represented by the proxy and the names of their owners. The Shareholder or the proxy shall be given a pass to attend the meeting, which shall state the number of votes held or represented by him/ her. An extract from the register, indicating the number of shares represented at the meeting and the percentage of attendance, shall be printed and attached to the minutes of the General Assembly after being signed by the chair of the meeting, the General Assembly Secretary, and the Auditor.

- b. Registration for attending General Assembly meetings shall close when the chair of the meeting announces whether or not the quorum of such meeting is reached. No registration of any Shareholder or proxy may be accepted thereafter, and the votes of such late Shareholders or proxies shall not count and their views on the matters raised in that meeting shall not be taken into account. If any of the attending Shareholders, or their representatives, withdraws from a quorate General Assembly meeting, such withdrawal shall not affect the validity of the meeting. In that case, resolutions will be passed by the

السجل اسم المساهم أو من ينوب عنه، وعدد الأسهم التي يملكها أو عدد الأسهم التي يُمثلها وأسماء مالكيها مع تقديم سند الوكالة، ويُعطى المساهم أو من ينوب عنه بطاقة لحضور الاجتماع، يُحدّد فيها عدد الأصوات التي يُمثلها أصالةً أو وكالة، ويصدّر من ذلك السجل خلاصة مطبوعة بعدد الأسهم التي مُثّلت في الاجتماع ونسبة الحضور، ويتم إرفاقها بمحضر اجتماع الجمعية العمومية بعد توقيعها من رئيس الاجتماع ومقرّر الجمعية العمومية ومُدقّق الحسابات.

- ب. يُقفل باب التسجيل لحضور الجمعية العمومية عند إعلان رئيس الاجتماع الوصول إلى النصاب القانوني لعقد الاجتماع، أو عدم اكتماله، ولا يجوز بعد ذلك قبول تسجيل أي مساهم أو من ينوب عنه لحضور الاجتماع، كما لا يجوز الاعتداد بصوته أو برأيه في المسائل التي تُطرح في ذلك الاجتماع، وفي حال انسحاب أي من المساهمين أو ممثليهم من اجتماع الجمعية العمومية بعد اكتمال نصاب انعقادها، فإن ذلك الانسحاب لا يؤثّر على صحّة انعقاد الجمعية العمومية، على أن تصدر القرارات بالأغلبية المقرّرة في قانون الشركات للأسهم المتبقية والتي تم تمثيلها في الاجتماع.



majority prescribed in the Companies Law
based on the remaining shares represented at
the meeting.

Closure of Shareholders' Register

Article (43)

The register of Shareholders shall be closed in
accordance with the regulations on trading, set-off,
settlement, transfer of ownership, and custody of
securities and the relevant rules prevailing in the
Financial Market(s).

General Assembly Quorum

Article (44)

The provisions of the Companies Law and the
resolutions issued in pursuance thereof shall apply
to the quorum required for the validity of General
Assembly meetings and to the majority required to
adopt resolutions.

Chairpersonship of the General Assembly

Article (45)

- a. A General Assembly meeting shall be chaired by
the Chairperson, or by the vice chairperson in
case of absence of the Chairperson. If both the
Chairperson and vice chairperson are absent,
the General Assembly meeting shall be chaired
by the CEO or by any Director appointed by the
Board of Directors for this purpose.



44

إغلاق سجل المساهمين

المادة (43)

يُغلق سجل المساهمين وفقاً للنظام الخاص بالتداول
والمقاصة والتسويات ونقل الملكية وحفظ الأوراق المالية
والقواعد المعنوية السائدة في السوق المالي.

النصاب القانوني للجمعية العمومية

المادة (44)

تسري أحكام قانون الشركات والقرارات الصادرة بموجبه على
النصاب القانوني الواجب توافره لصحة انعقاد الجمعية
العمومية، وعلى الأغلبية اللازمة لاتخاذ القرارات.

رئاسة الجمعية العمومية

المادة (45)

- أ. يترأس الرئيس اجتماع الجمعية العمومية، وعند غيابه
يرأس الاجتماع نائب الرئيس، وفي حال غيابهما معاً، يرأس
الاجتماع الرئيس التنفيذي أو العضو الذي يُعيّنه مجلس
الإدارة لهذه الغاية.



- b. If the persons referred to in paragraph (a) of this Article are not present in the meeting, the General Assembly shall appoint a Shareholder to chair the meeting and shall appoint a secretary for the meeting.
- c. The General Assembly shall appoint a teller to count votes in any of its meetings.
- d. The minutes of meetings of the General Assembly and the details of the attendees shall be recorded in special books maintained for this purpose. These minutes must be signed by the chair of the relevant meeting, the General Assembly Secretary, the tellers, and the Auditor. The signatories of the minutes of meeting shall be held liable for the accuracy of the information contained therein.

Voting in General Assembly Meetings

Article (46)

Voting at a General Assembly shall be in such manner as specified by the chair of the General Assembly meeting, unless the General Assembly prescribes a different manner of voting. Voting must be by secret ballot if it relates to the dismissal or impeachment of Directors.

Participation in Voting

Article (47)



45

ب. في حال غياب أي من الأشخاص المشار إليهم في الفقرة (أ) من هذه المادة عن حضور الاجتماع، تُعيّن الجمعية العمومية من بين المساهمين رئيساً للاجتماع ومُقرراً له.

ج. تُعيّن الجمعية العمومية جامعاً للأصوات.

د. تُدوّن محاضر اجتماعات الجمعية العمومية وإثبات الحضور في دفاتر تُحفظ لهذا الغرض، على أن يتم توقيعها من رئيس الاجتماع ومُقرّر الجمعية العمومية وجامع الأصوات ومُدقق الحسابات، ويكون كل منهم مسؤولاً عن صحة البيانات الواردة في محضر الاجتماع.

التصويت في الجمعية العمومية

المادة (46)

يكون التصويت في الجمعية العمومية بالطريقة التي يُحددها رئيس الاجتماع، ما لم تُقرّر الجمعية العمومية طريقة أخرى للتصويت، وفي حال تعلّق الأمر بعزل أو مُساءلة الأعضاء، فإن التصويت يكون سرياً.

الاشتراك في التصويت

المادة (47)



- a. Directors may not participate in voting on any General Assembly decisions relating to discharging them from liability for management or conferring a private benefit upon them or which relates to a conflict of interest or dispute between them and the Company.
- b. A person having the right to attend General Assembly meetings may not participate in voting in his/ her personal capacity or by proxy on matters related to a personal benefit or an existing dispute between him and the Company.

General Assembly Powers

Article (48)

Subject to the Companies Law and the resolutions issued in pursuance thereof, the General Assembly may, pursuant to a Special Resolution:

1. increase or reduce the share capital of the Company in any way;
2. Subject to Article (62) hereof:
 - a. sell or dispose of, in any legal manner, all or any part of the business, projects, or assets of the Company that exceeds 51% of the Company's assets;
 - b. extend or terminate the term of the Company;
3. subject to obtaining the approval of the SCA, decide to allocate a percentage of the Company's annual profits or accumulated

أ. لا يجوز للأعضاء الاشتراك في التصويت على قرارات الجمعية العمومية الخاصة بإبراء ذمتهم من المسؤولية عن إدارتهم، أو التي تتعلق بمنفعة خاصة لهم، أو المتعلقة بتضارب المصالح أو بخلاف قائم بينهم وبين الشركة.

ب. لا يجوز لمن له الحق في حضور الجمعية العمومية أن يشترك في التصويت، سواءً بصفته الشخصية أو عمن يُمثله في المسائل التي تتعلق بمنفعة خاصة أو بخلاف قائم بينه وبين الشركة.

صلاحيات الجمعية العمومية

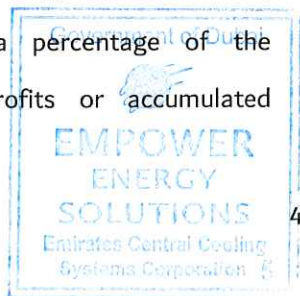
المادة (48)

مع مراعاة أحكام قانون الشركات والقرارات الصادرة بموجبها، للجمعية العمومية بموجب القرار الخاص القيام بما يلي:

1. زيادة أو تخفيض رأسمال الشركة بأي طريقة؛
2. مع مراعاة نص المادة (62) من هذا النظام:
 - أ. البيع أو التصرف بكُل أو جزء من أعمال الشركة أو مشاريعها أو أصولها، بأي وجه من أوجه التصرفات القانونية وذلك فيما زاد عن 51% من إجمالي أصول الشركة؛

ب. تعديل مدة الشركة أو إنهاؤها؛

3. تخصيص نسبة من أرباح الشركة السنوية أو الأرباح المتراكمة للمسؤولية المجتمعية، بعد الحصول على



profits for social responsibility purposes – in which case, the Company must disclose its social responsibility contribution on its website upon the end of the financial year and the Auditor must include in his/ her report and in the Company's annual financial statements the names of the beneficiary(ies) of the social responsibility contribution of the Company; and

4. amend these Articles, subject to the following restrictions:

- amendments may not increase the Shareholders' obligations; and
- amendments may not lead to the transfer of the head office of the Company to outside of the Emirate.

Right to Vote

Article (49)

Subject to the legislation applicable to the SCA and the Financial Market(s), the owners of registered shares as of the working day preceding a General Assembly meeting shall be deemed the holders of the right to vote in that meeting.

General Assembly Agenda

Article (50)

- Subject to the provisions of the Companies Law and the resolutions issued in pursuance thereof, the Company Establishment Law and the

مُوافقة الهيئة، على أن تلتزم الشركة في هذه الحالة بالإفصاح على موقعها الإلكتروني بعد انتهاء السنة المالية عن قيامها بمسؤولياتها المجتمعية، وعلى مُدقق الحسابات أن يُضمّن في تقريره والبيانات المالية السنوية للشركة الجهات المُستفيدة من المُساهمات المجتمعية للشركة؛ و

4. تعديل النّظام الأساسي، على أن يُراعى في هذا التعديل ما يلي:

- ألا تُؤدّي التعديلات إلى زيادة أعباء المُساهمين؛ و
- ب. ألا تُؤدّي التعديلات إلى نقل مركز الشركة الرئيس إلى خارج الإمارة.

الحق في التصويت

المادة (49)

مع مُراعاة التشريعات التّأفّذة لدى الهيئة والسّوق المالي، يكون مالك السّهم المُسجّل في يوم العمل السّابق لانعقاد الجمعية العمومية هو صاحب الحق في التصويت في الجمعية العمومية.

جدول أعمال الجمعية العمومية

المادة (50)

- أ. مع مُراعاة أحكام قانون الشركات والقرارات الصّادرة بمُوجبه وقانون تأسيس الشركة والقرارات الصّادرة بمُوجبه وهذا النّظام، تختص الجمعية العمومية بالنظر في

resolutions issued in pursuance thereof, and these Articles, the General Assembly shall have the authority to consider any matters related to the Company and listed in the agenda.

- b. Notwithstanding the provisions of paragraph (a) of this Article, the General Assembly may deliberate over any crucial matters revealed during the meeting, or any matters requested by the SCA, or by a Shareholder(s) representing at least five percent (5%) of the share capital of the Company, to be included in the agenda of the General Assembly before that agenda is discussed. The chair of the meeting shall grant the request, in accordance with terms determined by the SCA.

PART SIX

AUDITORS

Appointment of Auditors

Article (51)

- a. The Company shall have one or more Auditor(s) appointed by the General Assembly for a renewable term of one (1) year upon nomination by the Board of Directors. The fees and remuneration of the Auditor shall be determined by the General Assembly.
- b. The Auditor shall audit the accounts of the Company for the relevant financial year,

جميع المسائل المتعلقة بالشركة المدرجة بجدول الأعمال.

- ب. استثناءً من أحكام الفقرة (أ) من هذه المادة، يجوز للجمعية العمومية المداولة في الوقائع الخطيرة التي تُكتشف أثناء الاجتماع، وإذا طلبت الهيئة أو المساهم أو عدد من المساهمين الذين يمثلون ما نسبته (5%) خمسة بالمائة على الأقل من رأسمال الشركة، وقبل البدء في مناقشة جدول أعمال الجمعية العمومية، إدراج مسائل معينة في جدول الأعمال، فإنه يجب على رئيس الاجتماع إجابة ذلك الطلب وفقاً للشروط التي تحددها الهيئة في هذا الشأن.

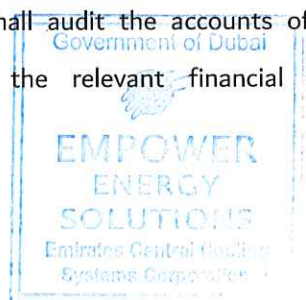
الباب السادس

مُدقّق الحسابات

تعيين مُدقّق الحسابات

المادة (51)

- أ. يكون للشركة مُدقّق حسابات أو أكثر، تُعيّنه الجمعية العمومية، بناءً على ترشيح من مجلس الإدارة، لمدة سنة قابلة للتجديد، وتُحدّد الجمعية العمومية أتعابه ومكافآته.
- ب. يتوجب على مُدقّق الحسابات مراقبة حسابات السنة المالية للشركة، على أن يكون مُسجلاً لدى الهيئة،



provided that he/ she is registered with the SCA and licensed to practice the audit profession in the UAE in accordance with the legislation in force.

- c. The Auditor shall assume his/ her duties upon the conclusion of the General Assembly meeting during which he/ she is appointed and until the subsequent annual General Assembly meeting is concluded.
- d. The period of appointment of an Auditor shall not exceed the term specified in the Companies Law and the resolutions issued in pursuance thereof.

Independence of Auditors

Article (52)

- a. The Auditor shall be independent from the Company and the Board of Directors and may not be a business partner, agent, or relative up to the fourth degree of the Founder or any of the Directors. The Auditor may not be a Shareholder or a member of the Board of Directors or occupy any technical, administrative, operational, or executive position at the Company.
- b. The Company must take practical steps to ensure the independence of the Auditor and that the Auditor has no Conflict of Interest.



ومُرخصاً له بمزاولة مهنة مُدقّق الحسابات في الدولة وفقاً للتشريعات السارية.

ج. يتولى مُدقّق الحسابات مهامّه من نهاية اجتماع الجمعية العمومية التي يتم تعيينه فيها، إلى نهاية اجتماع الجمعية العمومية للسنة التالية.

د. لا يجوز أن تزيد مُدّة تعيين مُدقّق الحسابات عن المُدّة المُحدّدة في قانون الشّركات والقرارات الصّادرة بمُوجبه.

استقلاليّة مُدقّق الحسابات

المادة (52)

أ. يجب أن يكون مُدقّق الحسابات مُستقلاً عن الشّركة ومجلس الإدارة، ولا يجوز له أن يكون شريكاً أو وكيلاً للمؤسّس أو لأي من الأعضاء أو قريباً له حتى الدّرجة الرّابعة، كما لا يجوز لمُدقّق الحسابات أن يكون مُساهماً أو شاغلاً لعضويّة مجلس الإدارة أو أن يشغل أي منصب فني أو إداري أو تشغيلي أو تنفيذي في الشّركة.

ب. على الشّركة أن تتخذ خطوات عمليّة للتحقّق من استقلاليّة مُدقّق الحسابات، وألا يكون لديه أي من حالات تضارب المصالح.



Functions of Auditors

Article (53)

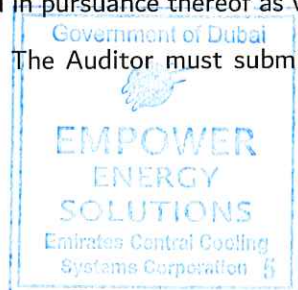
- a. The Auditor shall have the duties and powers provided for in the Companies Law and the resolutions issued in pursuance thereof and in these Articles. In particular, the Auditor shall, at all times, have the right to access all the books, records, and documents of the Company and to request clarifications as he deems necessary for the performance of his/ her duties. The Auditor shall have the right to verify the assets and liabilities of the Company. If the Auditor is unable to exercise these powers, he/ she must document this in a written report submitted to the Board of Directors. If the Board of Directors fails to enable the Auditor to perform his/ her duties, the Auditor must send a copy of the report to the SCA and the Competent Authority and present the same to the General Assembly.
- b. The Auditor shall audit the accounts of the Company, examine the balance sheet and the profit and loss account, review the Company's transactions and dealings with Related Parties, and ensure the implementation of the provisions of the Companies Law and the resolutions issued in pursuance thereof as well as these Articles. The Auditor must submit a

اختصاصات مُدقق الحسابات

المادة (53)

أ. يتولّى مُدقق الحسابات كافة المهام والصلاحيّات المنصوص عليها في قانون الشّركات والقرارات الصّادرة بمُوجبه وهذا النّظام، ويكون له على وجه الخُصوص الحق بالاطلاع، وفي كافّة الأوقات، على جميع سِجلات ومُستندات ودفاتر ووثائق الشّركة، وأن يطلب الإيضاحات التي يراها لازمة لأداء مهامّه، كما له أن يتحقّق من موجودات الشّركة والتزاماتها، وفي حال لم يتمكّن مُدقق الحسابات من مُمارسة هذه الصلاحيّات، فعليه أن يُثبت ذلك كتابةً في تقرير يُقدّم إلى مجلس الإدارة، وفي حال عدم تمكين مجلس الإدارة لمُدقق الحسابات من أداء مُهمّته، وجب على مُدقق الحسابات أن يُرسل صورة من ذلك التقرير إلى الهيئة والسّلطة المُختصّة، وأن يعرضه على الجمعية العُموميّة.

ب. يتولّى مُدقق الحسابات تدقيق حسابات الشّركة وفحص الميزانيّة، وحساب الأرباح والخسائر، ومُراجعة صفقات وتعاملات الشّركة مع الأطراف ذات العلاقة، والتأكّد من تطبيق أحكام قانون الشّركات والقرارات الصّادرة بمُوجبه وهذا النّظام، وعليه تقديم تقرير بنتائج هذا الفحص والتدقيق إلى الجمعية العُموميّة، وإرسال صورة منه إلى



report on the results of such examination and audit to the General Assembly and forward a copy thereof to the SCA and the Competent Authority. In preparing his/ her report, the Auditor shall verify the following:

1. the accuracy of the accounting records kept by the Company; and
2. the extent of conformity of the Company accounts with the accounting records.
- c. The Subsidiaries and their auditors shall provide any information or clarifications requested by the Auditor for the purposes of audit.

Auditor's Report

Article (54)

- a. The Auditor must submit to the General Assembly a report containing all the information prescribed in Article (252) of the Companies Law. The Auditor must attend the General Assembly meeting to present his/ her report to the Shareholders, clarifying any difficulties or interference by the Board of Directors encountered during the performance of his/ her duties.
- b. The report of the Auditor shall be independent and unbiased and shall include the opinion of the Auditor concerning all matters related to

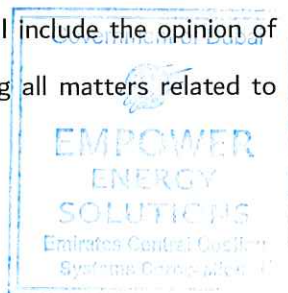
الهيئة والسلطة المختصة، كما يجب عليه عند إعداد تقريره التأكد مما يلي:

1. مدى صحة السجلات المحاسبية التي تحتفظ بها الشركة.
2. مدى تطابق حسابات الشركة مع السجلات المحاسبية.
- ج. تلتزم الشركات التابعة ومُدققي حساباتها بتقديم أي معلومات أو توضيحات يطلبها مُدقق الحسابات لأغراض التدقيق.

تقرير مُدقق الحسابات

المادة (54)

- أ. يُقدّم مُدقق الحسابات إلى الجمعية العمومية تقريراً يشتمل على البيانات المنصوص عليها في المادة (252) من قانون الشركات، وعليه أن يحضر الجمعية العمومية لتلاوة تقريره على المساهمين، موضحاً فيه أي مُعوقات أو تدخلات من مجلس الإدارة تكون قد واجهته أثناء تأدية أعماله.
- ب. يجب أن يتّسم تقرير مُدقق الحسابات بالاستقلالية والحيادية، وأن يُدلي برأيه في كل ما يتعلق بعمله، وخاصةً



his/ her duties, particularly the Company's balance sheet and accounts, its financial position, and any relevant violations.

- c. The Auditor shall note in his/ her report and in the balance sheet any charitable and community contributions made by the Company during the relevant financial year. The report and the balance sheet shall name the beneficiaries of such contributions.
- d. In the capacity of an agent of the Shareholders, the Auditor shall be liable for the accuracy of the information stated in his/ her report. Each Shareholder may discuss the report of the Auditor and request clarifications on the matters included therein during a General Assembly meeting.

في ميزانية الشركة، ومُلاحظاته على حساباتها ومركزها المالي، وأي مُخالفات تتعلق بها.

ج. على مُدقق الحسابات أن يُشير في تقريره، وفي الميزانية العمومية للشركة، المُساهمات الخيرية والمُجتمعية التي قامت بها الشركة خلال السنة المالية، إن وجدت، وأن يُحدّد الجهات المُستفيدة من هذه المُساهمات.

د. يكون مُدقق الحسابات مسؤولاً عن صحة البيانات الواردة في تقريره بوصفه وكيلًا عن مجموع المُساهمين، وللمُساهمين أثناء انعقاد الجمعية العمومية أن يُناقش تقرير مُدقق الحسابات وأن يطلب أي إيضاحات عمّا ورد فيه.

PART SEVEN

FINANCES OF THE COMPANY

Company's Books and Financial Year

Article (55)

- a. The Board of Directors shall maintain duly organised accounting books which reflect the accurate and fair representation of the Company's business and dealings in accordance with internationally recognised accounting standards. No Shareholder shall have the right

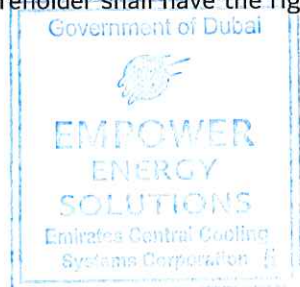
الباب السابع

مالية الشركة

دفاتر الشركة وسنتها المالية

المادة (55)

أ. على مجلس الإدارة أن يحتفظ بدفاتر حسابات مُنظمة حسب الأصول، لإعطاء صورة صحيحة وعادلة عن وضع أعمال الشركة، ولتفسير تعاملاتها، على أن تُحفظ هذه الدفاتر طبقاً للمبادئ المُحاسبية المُتعارف عليها دولياً، ولا يحق للمُساهمين فحص هذه الدفاتر إلا بموجب تفويض صادر عن مجلس الإدارة في هذا الشأن.



to inspect those books without the relevant authorisation from the Board of Directors.

- b. The financial year of the Company shall start on the first day of January and shall end on the thirty first day of December of every year.

ب. تبدأ السنة المالية للشركة في اليوم الأول من شهر يناير، وتنتهي في اليوم الحادي والثلاثين من شهر ديسمبر من كل سنة.

Annual Financial Statements

Article (56)

- a. The balance sheet for a financial year must be audited at least one (1) month before the annual General Assembly meeting. The Board of Directors must prepare a report on the Company's activities and financial position at the end of the financial year, and that report must state its recommendations on the distribution of net profits. Copies of the annual financial statements, the profit and loss account, the Auditor's report, the Board of Directors' report, and the governance report must be sent to the SCA along with a draft of the annual General Assembly meeting invitation to the shareholders of the Company for approval of the publication of that invitation in the daily newspapers twenty-one (21) days before the date scheduled for the General Assembly meeting.

البيانات المالية السنوية

المادة (56)

أ. يجب أن يتم تدقيق الميزانية العمومية عن السنة المالية قبل الاجتماع السنوي للجمعية العمومية بشهر على الأقل، وعلى مجلس الإدارة إعداد تقرير عن نشاط الشركة ومركزها المالي في ختام السنة المالية، والطريقة التي يقترحها لتوزيع الأرباح الصافية، وتُرسل نسخة من البيانات المالية السنوية وحساب الأرباح والخسائر، مع نسخة من تقرير مُدقق الحسابات وتقرير مجلس الإدارة وتقدير الحوكمة إلى الهيئة، مع إرفاق مُسوَّدة من دعوة الجمعية العمومية للانعقاد للموافقة على نشرها في الصحف اليومية، قبل موعد انعقاد الجمعية العمومية بـ (21) واحد وعشرين يوماً.



b. The annual financial statements of the Company shall be published pursuant to the relevant rules prescribed by the SCA, and a copy of these statements shall be lodged with the SCA and the Competent Authority.

ب. يتم نشر البيانات المالية السنوية للشركة وفقاً للضوابط التي تحددها الهيئة في هذا الشأن، ويتم إيداع نسخة منها لدى كل من الهيئة والسلطة المختصة.

Deduction from Annual Profits

الاقطاع من الأرباح السنوية

Article (57)

المادة (57)

The Board of Directors may deduct a percentage of the annual gross profits as depreciation allowance or impairment allowance in respect of the Company's assets. These amounts shall only be utilised for their intended purposes in accordance with the relevant resolutions of the Board of Directors and shall not be distributed to the Shareholders.

يجوز لمجلس الإدارة أن يقتطع من الأرباح السنوية غير الصافية، النسبة التي يراها مناسبة، كبديل لاستهلاك موجودات الشركة أو التعويض عن انخفاض قيمتها، ويتم التصرف بهذه الأموال للغرض المخصص لها فقط بناءً على قرار يصدر عن مجلس الإدارة في هذا الشأن، دون أن يكون له الحق في توزيعها على المساهمين.

Distribution of Annual Profits

توزيع الأرباح السنوية

Article (58)

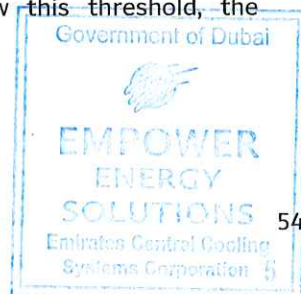
المادة (58)

The annual net profits of the Company shall be after deducting all general expenses and other costs as follows:

يتم توزيع الأرباح السنوية الصافية للشركة بعد خصم جميع المصروفات العمومية والتكاليف الأخرى، وفقاً لما يلي:

1. ten percent (10%) of the net profits shall be deducted and set aside as a legal reserve. This deduction shall cease when the total amount of the reserve is equal to at least fifty percent (50%) of the share capital of the Company. If the reserve falls below this threshold, the deduction shall resume;

1. يتم اقتطاع ما نسبته (10%) عشرة بالمائة من صافي الأرباح، تُخصص لحساب الاحتياطي القانوني، ويُوقف هذا الاقتطاع متى بلغ مجموع الاحتياطي قدراً يُوازي (50%) خمسين بالمائة على الأقل من رأسمال الشركة، وفي حال نقص الاحتياطي عن ذلك، فإنه يتعين العودة إلى ذلك الاقتطاع؛



2. a percentage not exceeding two percent (2%) of the net profits for the financial year then ended shall be allocated as remuneration for the Directors, after deducting depreciation allowances and reserves. Any penalties imposed by the SCA or the Competent Authority on the Company as a result of violation by the Board of Directors of the Company Establishment Law, the Companies Law and the resolutions issued in pursuance thereof, these Articles, or any legislation in force in the Emirate, during the financial year then ended shall be deducted from the remuneration of the Board of Directors. The General Assembly may resolve not to deduct all or any of these penalties if it finds that these penalties have not arisen as a result of any negligence or error on the part of the Board of Directors; and
3. the balance of the net profits shall be distributed to the Shareholders; carried forward to the subsequent financial year upon the recommendation of the Board of Directors; or set aside as an extraordinary reserve, as may be decided by the General Assembly in this regard.

Utilisation of the Legal Reserve

Article (59)

The legal reserve shall be utilised pursuant to a resolution of the Board of Directors in the best interests of the Company. The legal reserve may not



2. تخصيص نسبة لا تزيد على (2%) اثنين بالمائة من الربح الصافي للسنة المالية المنتهية كمكافأة للأعضاء، وذلك بعد خصم كافة الاستهلاكات والاحتياطات، وتُخصم من هذه المكافأة الغرامات التي تكون قد وُقِّعت على الشركة من الهيئة أو السلطة المختصة بسبب مخالفة مجلس الإدارة لقانون تأسيس الشركة أو قانون الشركات والقرارات الصادرة بموجبه أو هذا النظام أو أي من التشريعات السارية في الإمارة خلال السنة المالية المنتهية، وللجمعية العمومية عدم خصم تلك الغرامات أو بعضها إذا تبين لها أن تلك الغرامات ليست ناتجة عن تقصير أو خطأ من مجلس الإدارة؛ و

3. توزيع الباقي من صافي الأرباح على المساهمين أو أن يتم ترحيله إلى السنة المالية المقبلة، بناءً على اقتراح من مجلس الإدارة، أو أن يُخصص لإنشاء احتياطي غير عادي، وفقاً لما تُقرره الجمعية العمومية في هذا الشأن.

التصرف من الحساب الاحتياطي

المادة (59)

يتم التصرف من الحساب الاحتياطي بقرار من مجلس الإدارة في الأوجه التي تُحقق مصالح الشركة، ولا يجوز توزيع



be distributed to Shareholders. However, any amount of the legal reserve in excess of fifty percent (50%) of the paid-up capital may be utilised to make distributions to the Shareholders.

Dividend Distribution Policy

Article (60)

- Dividends shall be paid to the Shareholders in accordance with the regulations on trading, set-off, settlement, transfer of ownership, and custody of securities, and other applicable rules, of the Financial Market(s) on which the Company's shares are listed.
- The Company may distribute quarterly or semi-annual dividends to the Shareholders out of its operating profits or accumulated profits. The Board of Directors shall be authorised to adopt and implement the resolutions related to the distribution of dividends in accordance with the dividend distribution policy approved by the General Assembly.

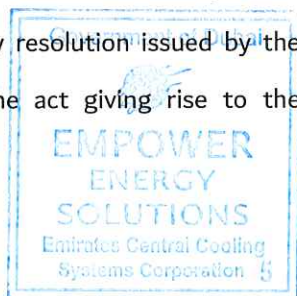
PART EIGHT

LIABILITY

Civil Liability Claims

Article (61)

Civil liability claims against the Directors may not be barred by reason of any resolution issued by the General Assembly. If the act giving rise to the



الاحتياطي القانوني على المساهمين، ومع ذلك يجوز استعمال ما زاد منه على نصف رأس المال المدفوع لتأمين توزيع أرباح على المساهمين.

سياسة توزيع الأرباح

المادة (60)

أ. يتم دفع حصص الأرباح إلى المساهمين وفقاً لنظام التداول والمقاصة والتسويات في نقل ملكية وحفظ الأوراق المالية، وكذلك القواعد واجبة التطبيق في السوق المالي الذي تم فيه إدراج أسهم الشركة.

ب. يجوز للشركة توزيع أرباح ربع سنوية أو نصف سنوية على المساهمين من الأرباح التشغيلية أو الأرباح المتراكمة للشركة، ويكون مجلس الإدارة مفوضاً باعتماد واتخاذ وتنفيذ القرارات المتعلقة بتوزيع الأرباح، وفقاً لسياسة توزيع الأرباح المعتمدة من الجمعية العمومية.

الباب الثامن

المسؤولية

دعوى المسؤولية

المادة (61)

لا يترتب على أي قرار يصدر عن الجمعية العمومية سقوط دعوى المسؤولية المديّة ضد الأعضاء، وإذا كان الفعل الموجب للمسؤولية قد عُرض على الجمعية العمومية بتقرير



liability is presented to the General Assembly in a Board of Directors' report or Auditor's report and is ratified by the General Assembly, any civil claims in respect of that act shall be barred upon the expiry of one (1) year from the date of the General Assembly meeting. However, where the act attributed to the Directors constitutes a criminal offence, the civil liability claim shall be barred only if the criminal proceedings are barred.

من مجلس الإدارة أو مُدقق الحسابات وصادقت عليه، فإن دعوى المسؤولية تسقط بمضي سنة من تاريخ انعقاد الجمعية العمومية، ومع ذلك، إذا كان الفعل المنسوب إلى الأعضاء يُشكّل جريمة جزائية، فلا تسقط دعوى المسؤولية إلا بسقوط الدعوى الجزائية.

PART NINE

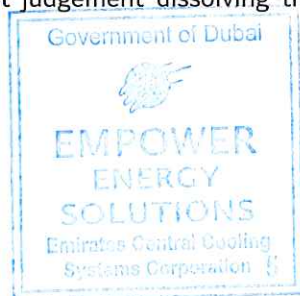
DISSOLUTION OF THE COMPANY

Company Dissolution Cases

Article (62)

The Company shall be dissolved for any of the following reasons:

1. expiry of the Company's term as prescribed in these Articles;
2. fulfilment of the objectives for which the Company is established;
3. termination of the term of the Company pursuant to a Special Resolution issued by the General Assembly;
4. merger of the Company into another company;
5. issuance of a court judgement dissolving the Company; or



الباب التاسع

حل الشركة وتصفيتها

حالات حل الشركة

المادة (62)

تُحل الشركة لأحد الأسباب التالية:

1. انتهاء المدة المحددة للشركة، وفقاً لما هو منصوص عليه في هذا النظام؛
2. انتهاء الغرض الذي أسست الشركة لأجله؛
3. صدور القرار الخاص من الجمعية العمومية بإنهاء مدة الشركة؛
4. اندماج الشركة في شركة أخرى؛
5. صدور حكم قضائي يحل الشركة؛ أو



6. destruction of all or most of the Company's assets, making it unfeasible to invest the remainder thereof.

Accumulated Losses

Article (63)

If the Company's accumulated losses reach fifty percent (50%) of its issued share capital, the Board of Directors must, within thirty (30) days of the date of disclosure of the Company's periodic or annual financial statements to the SCA, invite the General Assembly to convene to take the necessary action to dissolve the Company before the expiry of its term or to ensure that it continues its business activities.

Company Liquidation

Article (64)

Subject to Article 62 of these Articles, at the end of the term of the Company or in the event of its dissolution before the expiry of that term, the General Assembly shall, upon the request of the Board of Directors, determine the method of liquidation of the Company and appoint one or more liquidator(s) and determine their duties. As of the date of appointment of the liquidator(s), the Board of Directors shall cease to perform its duties. The General Assembly shall continue to exercise its

6. هلاك جميع أموال الشركة أو معظمها بحيث يتعذر استثمار الباقي استثماراً مجدياً.

الخسائر المتراكمة

المادة (63)

إذا بلغت الخسائر المتراكمة للشركة ما يُساوي قيمة نصف رأسمالها المصدر، وجب على مجلس الإدارة خلال (30) ثلاثين يوماً من تاريخ الإفصاح للهيئة عن القوائم المالية الدورية أو السنوية، دعوة الجمعية العمومية للانعقاد، لاتخاذ ما يلزم بشأن حل الشركة قبل الأجل المحدد لها أو استمرارها في مباشرة نشاطها.

تصفية الشركة

المادة (64)

مع مراعاة نص المادة 62 من هذا النظام، عند انتهاء مدة الشركة أو حلها قبل الأجل المسمى، تُحدّد الجمعية العمومية، بناءً على طلب مجلس الإدارة، طريقة التصفية، وتعيّن مُصَفِّياً أو أكثر، وتُحدّد مهامهم، وعلى مجلس الإدارة من تاريخ تعيين المُصَفِّ التوقف عن أداء أي مهام منوطة به، في حين تستمر الجمعية العمومية في مُزاولة المهام والصلاحيات المنوطة بها طيلة مدة التصفية وإلى حين انتهاء إجراءات التصفية.



duties and powers throughout and until the end of the liquidation process.

PART TEN

FINAL PROVISIONS

Application of the Company Establishment Law

Article (65)

The provisions of the Company Establishment Law and the Companies Law and the resolutions issued in pursuance thereof, excluding the provisions of Articles (118) and (121) of the Companies Law, shall apply to any matter specifically provided for in these Articles in respect of the articles that will be exempted.

Corporate Governance

Article (66)

Without prejudice to the provisions of the Company Establishment Law, the Company shall adopt all the relevant resolutions regulating Governance Rules issued by SCA. These resolutions shall form an integral and complementary part of these Articles. Notwithstanding the foregoing, the Company shall not be governed by the provisions of the above-mentioned SCA Board of Directors Resolution No. (11/R.M) of 2016 and the Governance Rules, as being non-applicable to the Company as per SCA's approval to any matter specifically provided for in

الباب العاشر

الأحكام الختامية

تطبيق أحكام قانون تأسيس الشركة

المادة (65)

تُطبق أحكام قانون تأسيس الشركة، وكذلك أحكام قانون الشركات والقرارات الصادرة بموجبه، على أن تُستثنى الشركة من الأحكام المنصوص عليها في المواد (118)، و (121)، من قانون الشركات وذلك فيما ورد به نص خاص في هذا النظام بشأن تلك المواد محل الاستثناء.

حوكمة الشركات

المادة (66)

دون المساس بأحكام قانون تأسيس الشركة، تُطبق الشركة جميع القرارات ذات العلاقة المنظمة لحكومة الشركات المعتمدة لدى الهيئة، وتُعتبر هذه القرارات جزءاً لا يتجزأ من هذا النظام ومكملة له، وذلك فيما عدا الأحكام التي وافق مجلس إدارة الهيئة على استثناء الشركة من الخضوع لها، والمنصوص عليها في قرار مجلس إدارة الهيئة رقم (11/ر.م) لسنة 2016 وكذلك أحكام قرار الحوكمة، فيما ورد به نص خاص في هذا النظام بشأن تلك المواد محل الاستثناء.



these Articles in respect of the articles that will be exempted.

Article (67)

المادة (67)

In case there is any contradiction between the provisions of these Articles in the Arabic and English texts, the Arabic text shall prevail.

في حالة وجود تعارض بين أحكام هذه المواد في النصين العربي والإنجليزي، يرجح النص العربي.

Lodging the Articles of Association

إيداع النظام الأساسي

Article (68)

المادة (68)

These Articles shall be lodged and published in accordance with the Companies Law.

يودع هذا النظام ويُنشر طبقاً لقانون الشركات.



The Articles of Association have been approved
by the Founders:

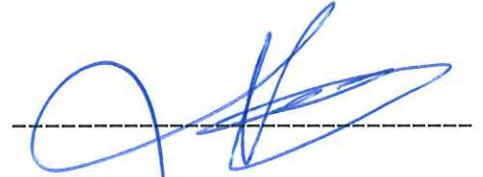
For and on behalf of Dubai Electricity and Water
Authority PJSC

تمت الموافقة علي النظام الاساسى من قبل المؤسسين:

لصالح وبالنيابة عن هيئة كهرباء ومياه دبي (ش.م.ع):

Name: H.E Saeed Mohammed Al Tayer

Title: Managing Director and Chief Executive
Officer



الاسم: معالي / سعيد محمد أحمد الطاير
الصفة: العضو المنتدب و الرئيس التنفيذي



For and on behalf of:

Emirates Power Investment LLC

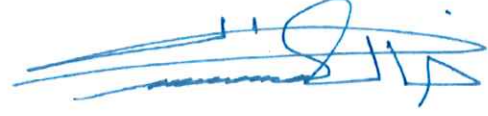


Name: Mr. Khalid Abdulkarim Hussain Almalik

Title: General Manager

لصالح وبالنيابة عن:

الإمارات باور انفستمنت ذ.م.م



الاسم: السيد / خالد عبدالكريم حسين المالک

الصفة: المدير العام



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Annex 3 - Receiving Bank's Branches

Emirates NBD Bank - Participating Branches

NO	AREA	BRANCH	Location	Working Hours	IPO Working Hours	Contact
1	Dubai	Group Head Office Branch	Ground Floor, Emirates NBD Group Head Office, Baniyas Road, Deira, Dubai	Monday to Thursday	Monday to Thursday	800 4767 - (800 IPOS)
				(8:00 AM - 3:00 PM)	(8:00 AM - 2:00 PM)	
				Friday	Friday	
				(7:30 AM - 12:15 PM)	(7:30 AM - 11:15 PM)	
2	Dubai	Jumeirah Branch	Emirates NBD Building, Al Wasl Rd Intersection, Umm Suquiem 3, Jumeirah, Dubai	Monday to Thursday	Monday to Thursday	800 4767 - (800 IPOS)
				(8:00 AM - 2:00 PM)	(8:00 AM - 1:00 PM)	
				Friday	Friday	
				(7:30 AM - 12:15 PM)	(7:30 AM - 11:15 PM)	
				Saturday	Saturday	
				(8:00 AM - 2:00 PM)	(8:00 AM - 1:00 PM)	
3	Dubai	Al Qusais Branch	Damascus St, Near Dubai Grand Hotel, Al Qusais, Dubai	Monday to Thursday	Monday to Thursday	800 4767 - (800 IPOS)
				(8:00 AM - 2:00 PM)	(8:00 AM - 1:00 PM)	
				Friday	Friday	
				(7:30 AM - 12:15 PM)	(7:30 AM - 11:15 PM)	
				Saturday	Saturday	
				(8:00 AM - 2:00 PM)	(8:00 AM - 1:00 PM)	
4	Abu Dhabi	Abu Dhabi Main Branch	Ground Floor, Al Neem Building, Shaikh Khalifa Street, Abu Dhabi	Monday to Thursday	Monday to Thursday	800 4767 - (800 IPOS)
				(8:00 AM - 3:00 PM)	(8:00 AM - 2:00 PM)	
				Friday	Friday	
				(7:30 AM - 12:15 PM)	(7:30 AM - 11:15 PM)	
5	Abu Dhabi	Electra Street Branch	Zayed The Second Street, Near Electra Park, Abu Dhabi	Monday to Thursday	Monday to Thursday	800 4767 - (800 IPOS)
				(8:00 AM - 8:00 PM)	(8:00 AM - 1:00 PM)	
				Friday	Friday	
				(7:30 AM - 12:15 PM)	(7:30 AM - 11:15 PM)	
				Saturday	Saturday	
				(8:00 AM - 8:00 PM)	(8:00 AM - 1:00 PM)	

				Saturday	Saturday	
				(8:00 AM - 2:00 PM)	(8:00 AM - 1:00 PM)	
6	Al Ain	Al Ain Main Branch	Sheikh Khalifa Bin Zayed St, (in front of Burjeel Hospital), Al Ain	Monday to Thursday	Monday to Thursday	800 4767 - (800 IPOS)
				(8:00 AM - 2:00 PM)	(8:00 AM - 1:00 PM)	
				Friday	Friday	
				(7:30 AM - 12:15 PM)	(7:30 AM - 11:15 PM)	
				Saturday	Saturday	
				(8:00 AM - 2:00 PM)	(8:00 AM - 1:00 PM)	
7	Sharjah	Sharjah Main Branch	Ground Floor, Emirates NBD Building, Immigration Road, Al Qassimia Area, Sharjah	Monday to Thursday	Monday to Thursday	800 4767 - (800 IPOS)
				(8:00 AM - 2:00 PM)	(8:00 AM - 1:00 PM)	
				Friday	Friday	
				(7:30 AM - 11:30 AM)	(7:30 AM - 11:15 PM)	
				Saturday	Saturday	
				(8:00 AM - 2:00 PM)	(8:00 AM - 1:00 PM)	
8	Ajman	Ajman Branch	Emirates NBD Building, Sheikh Rashid Bin Humaid St, Al Sawan, Ajman	Monday to Thursday	Monday to Thursday	800 4767 - (800 IPOS)
				(8:00 AM - 2:00 PM)	(8:00 AM - 1:00 PM)	
				Friday	Friday	
				(7:30 AM - 12:15 PM)	(7:30 AM - 11:15 PM)	
				Saturday	Saturday	
				(8:00 AM - 2:00 PM)	(8:00 AM - 1:00 PM)	
9	Umm Al Quwain	Umm Al Quwain Branch	King Faisal Road, Al Raas B, Umm Al Quwain, Near Umm Al Quwain Hospital, Umm Al Quwain	Monday to Thursday	Monday to Thursday	800 4767 - (800 IPOS)
				(8:00 AM - 2:00 PM)	(8:00 AM - 1:00 PM)	
				Friday	Friday	
				(7:30 AM - 12:15 PM)	(7:30 AM - 11:15 PM)	
				Saturday	Saturday	
				(8:00 AM - 2:00 PM)	(8:00 AM - 1:00 PM)	
10	Fujairah	Fujairah Main Branch	Sheikh Hamad Bin Abdullah Street, Town Centre 3, Fujairah,	Monday to Thursday	Monday to Thursday	800 4767 - (800 IPOS)
				(8:00 AM - 2:00 PM)	(8:00 AM - 1:00 PM)	
				Friday	Friday	

			Opposite Al Diar Siji Hotel, Fujairah	(7:30 AM - 12:15 PM)	(7:30 AM - 11:15 PM)	
				Saturday	Saturday	
				(8:00 AM - 2:00 PM)	(8:00 AM - 1:00 PM)	
11	Ras Al Khaimah	Ras Al Khaimah Main Branch	Al Muntasir Road, Al Mamourah Road Intersection, Ras Al-Khaimah	Monday to Thursday	Monday to Thursday	800 4767 - (800 IPOS)
				(8:00 AM - 2:00 PM)	(8:00 AM - 1:00 PM)	
				Friday	Friday	
				(7:30 AM - 12:15 PM)	(7:30 AM - 11:15 PM)	
				Saturday	Saturday	
				(8:00 AM - 2:00 PM)	(8:00 AM - 1:00 PM)	

Emirates Islamic Bank - Participating Branches

S.No	Branch name	Branch Location-Area	Customer Timing	IPO Subscription Timings	Branch Address	Contact Number
1	Diyafa Road Branch	Dubai	Monday to Saturday (8am - 2pm) Friday (8am - 12.30pm)	Monday to Saturday (8am - 1pm) Friday (8am - 11.30am)	Opposite DUNE Center, Al Diyafa Street	800 4767 - (800 IPOS)
2	Healthcare City Branch	Dubai	Monday to Thursday (8am - 4pm) Friday (8 - 12.30pm & 2pm - 4pm)	Monday to Thursday (8am - 1pm) Friday (8am - 11.30am)	Building 16, Dubai Health Care City	800 4767 - (800 IPOS)
3	El Al Wasl Road Branch	Dubai	Monday to Saturday (8am - 8pm) Friday (8am - 12.30pm)	Monday to Saturday (8am - 1pm) Friday (8am - 11.30am)	Al Wasl Road, Al Ferdous 1 Building	800 4767 - (800 IPOS)
4	El Ibn Battuta Mall	Dubai	Monday to Saturday (10am - 10pm) Friday (3pm - 10pm)	Monday to Saturday (10am - 2pm) Friday (closed)	Shop No. 143 A, China Court, Ibn Batutta Mall, Dubai	800 4767 - (800 IPOS)
5	El Jebel Ali	Dubai	Monday to Thursday (8am - 3pm) Friday (8am - 12.30pm & 2pm -3pm)	Monday to Thursday (8am - 1pm) Friday (8am - 11.30am)	Banking Complex, JAFZA Main Gate, Jebel Ali	800 4767 - (800 IPOS)
6	Nad Al Hamar	Deira	Monday to Saturday (8am - 2pm) Friday (8am - 12.30pm)	Monday to Saturday (8am - 1pm) Friday (8am - 11.30am)	Bel Remaitha Club Building, Show Rooms # S-8 & S-9, Nad Al Hamar Area, Al Rubat street	800 4767 - (800 IPOS)
7	Al Tawar Branch	Deira	Monday to Saturday (8am - 2pm) Friday (8am - 12.30pm)	Monday to Saturday (8am - 1pm) Friday (8am - 11.30am)	Al Nahda Road, Near Al Twar Centre	800 4767 - (800 IPOS)
8	Warqaa Mall Branch	Deira	Monday to Saturday (9am - 9pm) Friday (3pm - 9pm)	Monday to Saturday (9am - 1pm) Friday (closed)	Warqaa City Mall, Al Warqaa 4.	800 4767 - (800 IPOS)
9	Halwan Branch	Sharjah & NE Region	Monday to Saturday (8am - 8pm)	Monday to Saturday (8am - 1pm) Friday (8am - 10.30am)	Sheikh Isam Building, Wasit Street, Industrial	800 4767 - (800 IPOS)

			Friday (8am - 11.30am)		Area, Halwaan, Sharjah	
10	El Al Rahmaniya Mall	Sharjah & NE Region	Monday to Saturday (9am - 9pm) Friday (3pm - 9pm)	Monday to Saturday (9am - 1pm) Friday (closed)	Al Rahmaniya Mall, ground floor, next to Babyshop, Sharjah.	800 4767 - (800 IPOS)
11	Ajman Kalifa Bin Zayed	Ajman	Monday to Saturday (8am - 2pm) Friday (8am - 12.30pm)	Monday to Saturday (8am - 1pm) Friday (8am - 11.30am)	Al Jurf 2, close to City Centre Ajman	800 4767 - (800 IPOS)
12	Ras Al Khaimah Branch	Ras Al Khaimah	Monday to Saturday (8am - 8pm) Friday (8am - 12.30pm)	Monday to Saturday (8am - 1pm) Friday (8am - 11.30am)	Emirates Islamic Tower, Ground Floor, Al Muntaser Road - Al Nakheel Area	800 4767 - (800 IPOS)
13	Fujairah Branch	Fujairah	Monday to Saturday (8am - 2pm) Friday (8am - 12.30pm)	Monday to Saturday (8am - 1pm) Friday (8am - 11.30am)	Near Choithram Supermarke t, Sheikh Hamad Bin Abdulla Street	800 4767 - (800 IPOS)
14	Khalifa City Branch	Abu Dhabi	Monday to Saturday (8 am - 8 pm) Friday (8am - 12.30pm)	Monday to Saturday (8 am to 1 pm) Friday (8am - 11.30am)	Villa # 104, Sector SE- 02, Khalifa City Main Street, Abu Dhabi	800 4767 - (800 IPOS)
15	Main Branch Abu Dhabi	Abu Dhabi	Monday to Saturday (8am - 2pm) Friday (8am - 12.30pm)	Monday to Saturday (8am - 1pm) Friday (8am - 11.30am)	Khalidiyah Corniche Area, Wave Tower	800 4767 - (800 IPOS)
16	Al Ain Branch	Al Ain	Monday to Saturday (8am - 2pm) Friday (8am - 12.30pm)	Monday to Saturday (8am - 1pm) Friday (8am - 11.30am)	Jawazat Street, Near Sheikha Salama Mosque	800 4767 - (800 IPOS)

First Abu Dhabi Bank Participating Branches

S.No	Branch name	Branch Location-Area	Customer Timing	IPO Subscription Timings	Branch Address
1	Corniche	Abu Dhabi	08: am to 02:00 pm (Monday-Thursday);	8 am to 1 pm - Mon - Thurs.	Corniche Road
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
2	Etihad Branch	Abu Dhabi	08: am to 02:00 pm (Monday-Thursday);	8 am to 1 pm - Mon - Thurs.	Muroor Street - Abu Dhabi
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
3	Al Ain New	Al Ain - Abu Dhabi	08: am to 02:00 pm (Monday-Thursday);	8 am to 1 pm - Mon - Thurs.	Al Ain
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
4	Jumeirah Branch	Dubai	08: am to 02:00 pm (Monday-Thursday);	8 am to 1 pm - Mon - Thurs.	Link International Building, Jumeirah Beach Road Umm suqeim
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
5	Deira Branch (ABS)	Dubai	08: am to 02:00 pm (Monday-Thursday);	8 am to 1 pm - Mon - Thurs.	Abu Baker Al Siddique Rd, Deira
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
6	RAK (LNBAD)	Ras Al Khaimah	08: am to 02:00 pm (Monday-Thursday);	8 am to 1 pm - Mon - Thurs.	FAB RAK (LNBAD), Corniche Al Qawasim road, Near to NMC Royal Medical Center, RAK
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
7	Fujairah	Fujairah	08: am to 02:00 pm (Monday-Thursday);	8 am to 1 pm - Mon - Thurs.	Opposite to Plaza Theatre Hamdan Bin Abdulla street
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
8	Sharjah	Sharjah	08: am to 02:00 pm (Monday-Thursday);	8 am to 1 pm - Mon - Thurs.	Al Reem Plaza, Ground floor

			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	Buheira Corniche, Sharjah
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
9	Umm Al Quwain	Umm Al Quwain	08: am to 02:00 pm (Monday-Thursday);	8 am to 1 pm - Mon - Thurs.	Building No 211, King Faisal Road Al Maidan Area, Umm Al Quwain
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	

Abu Dhabi Islamic Bank-Participating Bank

#	Branch name	Branch Code	Branch Location-Area	Area Code	Customer Timing (Monday - Saturday)	Customer Timing (Friday)	IPO Subscription Timings (Monday - Saturday)	IPO Subscription Timings (Friday)	Branch Address
1	Al Bateen Branch	33	Abu Dhabi	1	8:00 AM to 2:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Abu Dhabi - Al Bateen king Abdulla bin AbdulAziz Al Sauod Street - near UAE Central Bank
2	Najda Street Branch	398	Abu Dhabi	1	8:00 AM to 2:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Next to Al Mariah Mall (on the intersection of Al Najda Street and Hamdan Street).
3	Abu Dhabi Police GHQ Branch	92	Abu Dhabi	1	8:00 AM to 2:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Abu Dhabi police general head quarter- Al Saada Street, opposite Sheikh Khalifah University
4	Sheikh Zayed Main Branch	403	Abu Dhabi	1	8:00 AM to 2:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Sheikh Rashid Bin Saeed St (Old Airport Road) opposite to Hilton Capital Grand Hotel
5	Abu Dhabi Judiciary Branch	394	Abu Dhabi	1	8:00 AM to 2:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Al Khaleej Al Arabi Street - Judicial Department Building -Ground Floor Office (GR-A-051)
6	Sheikh Khalifa Energy Complex Branch	23	Abu Dhabi	1	8:00 AM to 3:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Sheikh Khalifa Energy complex - Corniche Street
7	Marina Mall Branch	57	Abu Dhabi	1	10:00 AM to 10:00 Pm	04:00 PM to 10:00 PM	10:00 AM to 2:00 PM 04:00 PM to 09:00 PM	04:00 PM to 09:00 PM	Corniche Street - Marina Mall - First floor, next to Yas Perfumes
8	Nation Towers Branch	71	Abu Dhabi	1	10:00 AM to 10:00 pm	04:00 PM to 10:00 PM	10:00 AM to 2:00 PM 04:00 PM to 09:00 PM	04:00 PM to 09:00 PM	Nation Towers Galleria - Corniche Road, First Floor
9	Baniyas Branch	13	Abu Dhabi	1	8:00 AM to 2:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Al Mafrag -Dubai Road opposite Al

									Mafrq Hospital - Baniyas
10	Mussafah Branch	19	Abu Dhabi	1	8:00 AM to 2:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Industrial Area-M9
11	Khalifa A City Branch	94	Abu Dhabi	1	8:00 AM to 2:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Khalifa A city, street # 16/21 southwest.
12	Shahama Branch	40	Abu Dhabi	1	8:00 AM to 2:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Old Shahama area near Police Station
13	Al Silaa Branch	39	Abu Dhabi West (Gharbiya)	5	08:00 am to 02:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Al Sila'a Area, opposite Al Areej School
14	Madinat Zayed Branch	7	Abu Dhabi West (Gharbiya)	5	08:00 am to 02:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Madinat Zayed City - Western Region
15	Ghayathi Branch	50	Abu Dhabi West (Gharbiya)	5	08:00 am to 02:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Ghayathi Area- Western Region
16	Al Marfaa Branch	21	Abu Dhabi West (Gharbiya)	5	08:00 am to 02:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Al Marfaa Area - Western Region
17	Ruwais Mall Branch	302	Abu Dhabi West (Gharbiya)	5	10:00 am to 10:00 pm	04:00 PM to 10:00 PM	10:00 AM to 2:00 PM 04:00 PM to 09:00 PM	04:00 PM to 09:00 PM	First Floor of Ruwais Mall, Ruwais Area
18	Bawadi Mall Branch	83	Al Ain	2	10:00 am to 3:30 pm 04:00 pm to 09:00 pm	04:00 PM to 10:00 PM	10:00 am to 2:00 PM 04:00 pm to 09:00 PM	04:00 PM to 09:00 PM	Al Ain City - Al Bawadi Mall, Ground Floor, Mizyad Area
19	Al Ain Branch	2	Al Ain	2	08:00 am to 02:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Al Ain City - Central District - Shaikh Zayed Bin Sultan Street - Near Clock Tower
20	Al Yahar Branch	25	Al Ain	2	08:00 am to 02:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Al Ain City - Al Yahar Main Street
21	Al Qusais Branch	51	Dubai	3	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Al Qusais Area - Al Wasl Building
22	Second of December Branch	86	Dubai	3	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Jumeirah beach street, Dubai
23	Sheikh Zayed Road Branch	14	Dubai	3	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Emarat Atrium Building, Sheikh Zayed Road
24	Nad Al Sheba Branch	15	Dubai	3	10:00am to 05:00pm	04:00 PM to 10:00 PM	11:00 AM to 04:00 PM	05:00 PM to 09:00 PM	Avenue Mall - Nad Al Sheba - Nad Al Sheba 2 - Dubai

25	Dubai Internet City - Arenco Branch	53	Dubai	3	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Arenco Tower, Dubai Internet City
26	Fujairah Branch	6	East Coast	6	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Shaikh Hamad Bin Abdulla Street
27	Ras Al Khaimah Branch	11	East Coast	6	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Opposite Al Manar Mall, Al Muntasir Road
28	Dibba Branch	17	East Coast	6	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Sheikh Zayed Street, Opposite Dibba Police Station - Fujairah
29	Kalba Branch	49	East Coast	6	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Al Wahda Street - Khamis Khalfan Al Zahmi Building - Block No:19
30	Al Dhaid Branch	38	East Coast	6	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Al Dhaid Expo Center
31	Khorfakkan Branch	22	East Coast	6	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Corniche Road, Banks Area
32	Umm Al Quwain Branch	29	Sharjah Northeast Area	4	08: am to 02:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	King Faisal Street opposite Umm Al Quwain Mall
33	Sharjah Main Branch	5	Sharjah Northeast Area	4	08: am to 02:00 pm	8:00 AM to 12:00 PM	9:00 AM to 1:00 PM	08:00 AM to 11:00 AM	Al Mussala Area opposite Etisalat building
34	Al Rahmania Mall Branch	47	Sharjah Northeast Area	4	10:00 am to 10:00 pm	04:00 PM to 10:00 PM	10:00 AM to 2:00 PM 04:00 PM to 09:00 PM	04:00 PM to 09:00 PM	Al Rahmania Mall - First Floor
35	Zawaya Walk Branch	28	Sharjah Northeast Area	4	08: 00AM to 08:00 PM	08:00 AM to 12:00 PM	09:00 AM to 2:00 PM 03:00 PM to 07:00 PM	08:00 AM to 11:00 AM	Zawaya Walk Area

Ajman Bank - Participating Branches (English)

S.No	Branch name	Branch Location-Area	Customer Timing	IPO Subscription Timings	Branch Address	Contact Number
1	Khalifa Branch	Ajman	Monday to Thursday & Saturday (8:00 AM -2:00 PM) Friday (07:00 AM - 12:00 PM)	Monday to Thursday & Saturday (8:00 AM -2:00 PM) Friday (07:00 AM - 12:00 PM)	A&F Towers-Sheikh Khalifa Bin Zayed ST-Ajman	06 701 8685
2	Main Branch	Ajman	Monday to Thursday & Saturday (8:00 AM -2:00 PM) Friday (07:00 AM - 12:00 PM)	Monday to Thursday & Saturday (8:00 AM -2:00 PM) Friday (07:00 AM - 12:00 PM)	Al Ettehad Street, Next to Etisalat Building, Mushairef - Ajman	06 701 8880
3	Al Ain Branch	Al Ain	Monday to Thursday & Saturday (8:00 AM -2:00 PM) Friday (07:00 AM - 12:00 PM)	Monday to Thursday & Saturday (8:00 AM -2:00 PM) Friday (07:00 AM - 12:00 PM)	Subway - Ajman Bank Building, near Sheikh Khalifa Bin Zayed ST - Abu Dhabi	03 701 3566
4	Buhaira Branch	Sharjah	Monday to Thursday & Saturday (8:00 AM -2:00 PM) Friday (07:00 AM - 12:00 PM)	Monday to Thursday & Saturday (8:00 AM -2:00 PM) Friday (07:00 AM - 12:00 PM)	Ground Floor, Zahrat El Madaen Tower, Corniche Street, next to starbucks - Al Sharjah	06 701 8177
5	Dalma Mall Branch (TCA)	Abu Dhabi	Monday to Thursday & Saturday (8:00 AM -2:00 PM) Friday (03:00 PM - 08:00 PM)	Monday to Thursday & Saturday (8:00 AM -2:00 PM) Friday (03:00 PM - 08:00 PM)	Inside Dalma Mall, 1 st Floor - Al Wazn ST- Abu Dhabi	02 654 7720
6	Khalidiya Branch	Abu Dhabi	Monday to Thursday & Saturday (8:00 AM -2:00 PM) Friday (07:00 AM - 12:00 PM)	Monday to Thursday & Saturday (8:00 AM -2:00 PM) Friday (07:00 AM - 12:00 PM)	23 Rawd ST - Al Khalidiyah-W9- Abu Dhabi	02 654 7763
7	RAK Branch	Ras Al Khaimah	Monday to Thursday & Saturday (8:00 AM -2:00 PM) Friday (07:00 AM - 12:00 PM)	Monday to Thursday & Saturday (8:00 AM -2:00 PM) Friday (07:00 AM - 12:00 PM)	Next to Health first pharmacy - E11 - Al Nadiyah - Ras Al Khaimah	07 20429 13
8	Jumeirah Branch	Dubai	Monday to Thursday & Saturday (8:00 AM -2:00 PM) Friday (07:00 AM - 12:00 PM)	Monday to Thursday & Saturday (8:00 AM -2:00 PM) Friday (07:00 AM - 12:00 PM)	Zia medical center building - Jumeirah - Dubai	04 707 6885

9	Sheikh Zayed Road Branch	Dubai	Monday to Thursday & Saturday (8:00 AM -2:00 PM) Friday (07:00 AM - 12:00 PM)	Monday to Thursday & Saturday (8:00 AM -2:00 PM) Friday (07:00 AM - 12:00 PM)	Ground Floor, Eiffel Boulevard Limited Building, Sheikh Zayed Road, Dubai	04 707 6808
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Dubai Islamic Bank - Participating Branches

S.No	Branch name	Branch Location-Area	Customer Timing	IPO Subscription Timings	Branch Address	Contact Number
1	Al Salam Br.	Abu Dhabi	Monday to Thursday & Saturday 08:00 AM - 02:00 PM Friday 7:15am to 12:15 pm	Monday to Thursday & Saturday 08:00 AM - 02:00 PM Friday 7:15am to 12:15 pm	Al Falah Street, Ministry of Energy Bldg, Abu Dhabi	04 - 6092222
2	Abu Dhabi Main Br.	Abu Dhabi	Monday to Thursday & Saturday 08:00 AM - 02:00 PM Friday 7:15am to 12:15 pm	Monday to Thursday & Saturday 08:00 AM - 02:00 PM Friday 7:15am to 12:15 pm	Airport Road, opposite to Etisalat Bldg, Abu Dhabi	04 - 6092222
3	Al Ain Main Br	Al Ain	Monday to Thursday & Saturday 08:00 AM - 02:00 PM Friday 7:15am to 12:15 pm	Monday to Thursday & Saturday 08:00 AM - 02:00 PM Friday 7:15am to 12:15 pm	Salah El Din Al Ayyubi Street, Al Ain	04 - 6092222
4	Al Makhtoum Br	Dubai	Monday to Thursday & Saturday 08:00 AM - 02:00 PM Friday 7:15am to 12:15 pm	Monday to Thursday & Saturday 08:00 AM - 02:00 PM Friday 7:15am to 12:15 pm	Bur Saeed Area, Al Maktoum Street, clock tower, Dubai Islamic Bank Building, Dubai	04 - 6092222
5	Dubai Main Br.	Dubai	Monday to Thursday & Saturday 08:00 AM - 02:00 PM Friday 7:15am to 12:15 pm	Monday to Thursday & Saturday 08:00 AM - 02:00 PM Friday 7:15am to 12:15 pm	Bur Saeed Area, Al Ittihad Road, Al Shoala Building, Dubai	04 - 6092222
6	Sheikh Zayed Road Br.	Dubai	Monday to Thursday & Saturday 08:00 AM - 02:00 PM Friday 7:15am to 12:15 pm	Monday to Thursday & Saturday 08:00 AM - 02:00 PM Friday 7:15am to 12:15 pm	Grosvenor House Commercial Tower, Sheikh Zayed Road, Near Fairmont Hotel, Dubai	04 - 6092222
7	Jumeirah Ladies	Dubai	Monday to Thursday & Saturday 08:00 AM - 02:00 PM Friday 7:15am to 12:15 pm	Monday to Thursday & Saturday 08:00 AM - 02:00 PM Friday 7:15am to 12:15 pm	Jumeirah Street, opposite to old ZOO, Jumeirah 1, Dubai	04 - 6092222

8	Umm Suqeim Br.	Dubai	Monday to Thursday & Saturday 08:00 AM - 02:00 PM Friday 7:15am to 12:15 pm	Monday to Thursday & Saturday 08:00 AM - 02:00 PM Friday 7:15am to 12:15 pm	Abdalla Bin Fahd Villa, Jumeirah Street, Umm Suqeim 1, Dubai	04 - 6092222
9	Muhaisnah-Ittihad Mall Br.	Dubai	Monday to Thursday & Saturday 10:00 AM - 10:00 PM Friday 3:30 PM to 09:00 pm	Monday to Thursday & Saturday 10:00 AM - 10:00 PM Friday 3:30 PM to 09:00 pm	Al Khawaneej Road, Ittihad Mall, Dubai	04 - 6092222
10	Ajman Main Br	Ajman	Monday to Thursday & Saturday 08:00 AM - 02:00 PM Friday 7:15am to 12:15 pm	Monday to Thursday & Saturday 08:00 AM - 02:00 PM Friday 7:15am to 12:15 pm	Shk Khalifa Street, Dubai Islamic Bank Bldg, Ajman	04 - 6092222
11	Fujairah Main Br.	Fujairah	Monday to Thursday & Saturday 08:00 AM - 02:00 PM Friday 7:15am to 12:15 pm	Monday to Thursday & Saturday 08:00 AM - 02:00 PM Friday 7:15am to 12:15 pm	Hamad Bin Abdalla Street, Station Area - Fujairah	04 - 6092222
12	Ras Al Khaimah Main Br.	RAK	Monday to Thursday & Saturday 08:00 AM - 02:00 PM Friday 7:15am to 12:15 pm	Monday to Thursday & Saturday 08:00 AM - 02:00 PM Friday 7:15am to 12:15 pm	Al Nakeel Area - Al Muntasir Str - Dubai Islamic Bank Bldg.	04 - 6092222
13	Sharjah Main Br	Sharjah	Monday to Thursday & Saturday 08:00 AM - 02:00 PM Friday 7:15am to 12:15 pm	Monday to Thursday & Saturday 08:00 AM - 02:00 PM Friday 7:15am to 12:15 pm	Al Zahra'a St - Al Qasimia - Al Nud - Sharjah	04 - 6092222
14	Wasit Br.	Sharjah	Monday to Thursday & Saturday 08:00 AM - 02:00 PM Friday 7:15am to 12:15 pm	Monday to Thursday & Saturday 08:00 AM - 02:00 PM Friday 7:15am to 12:15 pm	University City Street, Industrial Area 6, Sharjah	04 - 6092222
15	Umm Al Quwain Br.	UAQ	Monday to Thursday & Saturday 09:00 AM - 09:00 PM Friday 3:30 PM to 09:00 pm	Monday to Thursday & Saturday 09:00 AM - 09:00 PM Friday 3:30 PM to 09:00 pm	King Faisal Street, Mall of Umm Al Quwain, Umm Al Quwain	04 - 6092222

Al Maryah Community Bank - Participating Branches

S.No	Branch name	Branch Location-Area	Customer Timing	IPO Subscription Timings	Branch Address	Contact Number
1	Al Maryah Community Bank, Innovation Hub	Abu Dhabi	Mon-Sat: 8AM to 10PM	Mon-Sat: 8 AM to 10 PM	Al Maryah Community Bank, Innovation Hub, 454 Shakbout Bin Sultan Street, Abu Dhabi, UAE	600571111
2	Al Maryah Community Bank, Mall of the Emirates	Dubai	Mon-Sat: 10AM to 10PM	Mon-Sat: 10AM to 10PM	Al Maryah Community Bank, Level 1, Ski Dubai Entrance, Mall of the Emirates, Dubai, UAE	600571111

Commercial Bank of Dubai - Participating Branches

S.N o	Branch name	Branch Location-Area	Customer Timing	IPO Subscription Timings	Branch Address	Contact Number
1	Main Branch	Deira, Dubai	08:00 AM - 03:30 PM (Monday, Tuesday, Wednesday, Thursday, Saturday) 07:30 AM - 12:30 PM (Friday)	08:00 AM - 02:00 PM (Monday, Tuesday, Wednesday, Thursday, Saturday) 08:00 AM - 11:00 PM (Friday)	Al Ittihad Road, Port Saeed Area, Dubai	
2	Jumeirah Branch	Jumeirah	08:00 AM - 03:30 PM (Monday, Tuesday, Wednesday, Thursday, Saturday) 07:30 AM - 12:30 PM (Friday)	08:00 AM - 02:00 PM (Monday, Tuesday, Wednesday, Thursday, Saturday) 08:00 AM - 11:00 PM (Friday)	Jumeirah Road, Dubai	
3	Bur Dubai Branch	Bur Dubai, Dubai	08:00 AM - 03:30 PM (Monday, Tuesday, Wednesday, Thursday, Saturday) 07:30 AM - 12:30 PM (Friday)	08:00 AM - 02:00 PM (Monday, Tuesday, Wednesday, Thursday, Saturday) 08:00 AM - 11:00 PM (Friday)	Al Mankhool Road, Bur Dubai, Dubai	
4	Sheikh Zayed Road Branch	Sh. Zayed Rd., Dubai	08:00 AM - 03:30 PM (Monday, Tuesday, Wednesday, Thursday, Saturday) 07:30 AM - 12:30 PM (Friday)	08:00 AM - 02:00 PM (Monday, Tuesday, Wednesday, Thursday, Saturday) 08:00 AM - 11:00 PM (Friday)	Sheikh Zayed Road, Dubai	
5	Zayed the First branch	Abu Dhabi	08:00 AM - 03:30 PM (Monday, Tuesday, Wednesday, Thursday, Saturday) 07:30 AM - 12:30 PM (Friday)	08:00 AM - 02:00 PM (Monday, Tuesday, Wednesday, Thursday, Saturday) 08:00 AM - 11:00 PM (Friday)	Zayed The First Road, Abu Dhabi	
6	Sharjah Branch	Sharjah	08:00 AM - 03:30 PM (Monday, Tuesday, Wednesday, Thursday, Saturday) 07:30 AM - 12:30 PM (Friday)	08:00 AM - 02:00 PM (Monday, Tuesday, Wednesday, Thursday, Saturday) 08:00 AM - 11:00 PM (Friday)	King Abdelaziz Road, Sharjah	

Sharjah Islamic Bank - Participating Branches

Srl No.	Branch name	Branch Location-Area	Customer Timings	IPO Subscription Timings	Branch Address	Contact Number
1	Abu Dhabi Mall Branch	Abu Dhabi	Monday to Saturday 09:00 AM - 09:00 PM. Friday 3:00 PM - 9:00 PM	Monday to Saturday 09:00 AM - 03:00 PM. Friday - Not Applicable	Abu Dhabi Mall, First Floor, Near to Main Entrance	06 5 999 999
2	Al Khalidiyah Branch	Abu Dhabi	Monday to Saturday 08:00 AM - 02:30 PM. Friday 7:30 AM to 12:30 PM	Monday to Saturday 08:00 AM - 02:30 PM. Friday 7:30 AM to 12:30 PM	Mubarak Bin Mohamad Road, Shining Tower	06 5 999 999
3	Musaffah Branch	Abu Dhabi	Monday to Saturday 08:00 AM - 02:30 PM. Friday 7:30 AM to 12:30 PM	Monday to Saturday 08:00 AM - 02:30 PM. Friday 7:30 AM to 12:30 PM	Musaffah Industrial Area, Al Fahim HQ Building	06 5 999 999
4	Al Ain Branch	Al Ain	Monday to Saturday 08:00 AM - 02:30 PM. Friday 7:30 am to 12:30 pm	Monday to Saturday 08:00 AM - 02:30 PM. Friday 7:30 am to 12:30 pm	Oud Al Toba Area, Ali Bin Abi Taleb Road, Khalifa Al Salmeen Building	06 5 999 999
5	Hazza'a Bin Zayed (HBZ) Stadium Branch	Al Ain	Monday to Saturday 08:00 AM - 08:00 PM. Friday 08:00 AM - 12:30 PM & 03:00 PM - 08:00 PM	Monday to Saturday 08:00 AM - 02:00 PM. Friday 08:00 AM - 12:30 PM	Hamdan Bin Mohamad Road, Next to Hazza'a Bin Zayed Stadium	06 5 999 999
6	Al Dhaid Mall Branch	Al Dhaid	Monday to Saturday 08:00 AM - 08:30 PM. Friday 3:00 PM - 8:30PM	Monday to Saturday 08:00 AM - 02:30 PM. Friday - Not Applicable	Al Dhaid Mall	06 5 999 999
7	Al Twar Branch	Dubai	Monday to Saturday 08:00 AM - 02:30 PM. Friday 7:30 AM to 12:30 PM	Monday to Saturday 08:00 AM - 02:30 PM. Friday 7:30 AM to 12:30 PM	Al Nahda Road, Next to Al Qusais Metro Station and Al Twar Centre	06 5 999 999
8	City Centre Mirdif Branch	Dubai	Saturday to Thursday 09:00 AM - 09:00 PM. Friday 03:00 PM - 09:00 PM	Saturday to Thursday 09:00 AM - 03:00 PM. Friday - Not Applicable	Mirdif City Center, First Floor, Entrance A	06 5 999 999

9	Mall of the Emirates Branch	Dubai	Saturday to Thursday 09:00 AM - 09:00 PM. Friday 03:00 PM - 09:00 PM	Saturday to Thursday 09:00 AM - 03:00 PM. Friday - Not Applicable	Mall of the Emirates, First Floor, Entrance A	06 5 999 999
10	Port Saeed Branch	Dubai	Monday to Saturday 08:00 AM - 08:00 PM. Friday 08:00 AM - 12:30 PM & 03:00 PM - 08:00 PM	Monday to Saturday 08:00 AM - 02:00 PM. Friday 08:00 AM - 12:30 PM	Port Saeed Area, Near Deira City Centre	06 5 999 999
11	Sheikh Zayed Rd. Branch	Dubai	Monday to Saturday 08:00 AM - 02:30 PM. Friday 7:30 AM to 12:30 PM	Monday to Saturday 08:00 AM - 02:30 PM. Friday 7:30 AM to 12:30 PM	Sheikh Zayed Road, Nassima Tower Next to Voco Hotel	06 5 999 999
12	Fujairah Branch	Fujairah	Monday to Saturday 08:00 AM - 02:30 PM. Friday 7:30 AM to 12:30 PM	Monday to Saturday 08:00 AM - 02:30 PM. Friday 7:30 AM to 12:30 PM	Hamad Bin Abdullah Road	06 5 999 999
13	Ras Al Khaimah Branch	Ras al Khaimah	Monday to Saturday 08:00 AM - 02:30 PM. Friday 7:30 AM to 12:30 PM	Monday to Saturday 08:00 AM - 02:30 PM. Friday 7:30 AM to 12:30 PM	Al Nakheel Area, Al Muntasir Road	06 5 999 999
14	American University of Sharjah (AUS) Branch	Sharjah	Monday to Thursday 08:00 AM - 02:30 PM. Friday 7:15 AM - 11:45 AM	Monday to Thursday 08:00 AM - 02:30 PM. Friday 7:15 AM - 11:45 AM	University City Area, American University of Sharjah, Main Building	06 5 999 999
15	Buhaira Branch	Sharjah	Monday to Saturday 08:00 AM - 02:30 PM. Friday 7:15 AM to 11:45 AM	Monday to Saturday 08:00 AM - 02:30 PM. Friday 7:15 AM to 11:45 AM	Corniche Al Buhairah Road, Al Dana Tower	06 5 999 999
16	Hamriyah Free Zone Branch	Sharjah	Monday to Saturday 08:00 AM - 02:30 PM. Friday 7:15 AM to 11:45 AM	Monday to Saturday 08:00 AM - 02:30 PM. Friday 7:15 AM to 11:45 AM	Al Ittihad Road, Inside Hamriyah Free Zone Area	06 5 999 999
17	King Faisal St. Branch	Sharjah	Monday to Saturday 08:00 AM - 02:30 PM. Friday 7:15 AM to 11:45 AM	Monday to Saturday 08:00 AM - 02:30 PM. Friday 7:15 AM to 11:45 AM	King Faisal Street, Al Fakhama Tower	06 5 999 999

18	Maleha Rd. Branch	Sharjah	Monday to Saturday 08:00 AM - 02:30 PM. Friday 7:15 AM to 11:45 AM	Monday to Saturday 08:00 AM - 02:30 PM. Friday 7:15 AM to 11:45 AM	Industrial 18 Area, Maliha Road	06 5 999 999
19	Matajer Al Juraina Branch	Sharjah	Monday to Saturday 09:00 AM - 09:00 PM. Friday 3:00 PM - 9:00 PM	Monday to Saturday 09:00 AM - 03:00 PM. Friday - Not Applicable	Matajer Al Jurainah, Al Juraina Area Near University City Area	06 5 999 999
20	Matajer Al Mirgab Branch	Sharjah	Monday to Saturday 09:00 AM - 09:00 PM. Friday 3:00 PM - 9:00 PM	Monday to Saturday 09:00 AM - 03:00 PM. Friday - Not Applicable	Matajer Al Mirgab, Al Mirgab Area, Al Sharq Street to Ajman	06 5 999 999
21	Mega Mall Branch	Sharjah	Saturday to Thursday 09:00 AM - 09:00 PM. Friday 03:00 - 09:00 PM	Saturday to Thursday 09:00 AM - 03:00 PM. Friday Not Applicable	Mega Mall, Ground Floor	06 5 999 999
22	Mowaileh Branch	Sharjah	Monday to Saturday 08:00 AM - 02:30 PM. Friday 7:15 AM to 11:45 AM	Monday to Saturday 08:00 AM - 02:30 PM. Friday 7:15 AM to 11:45 AM	Muwaileh Area, University City Road	06 5 999 999
23	Rahmania Mall Brnach	Sharjah	Monday to Saturday 09:00 AM - 09:00 PM. Friday 3:00 PM - 9:00 PM	Monday to Saturday 09:00 AM - 03:00 PM. Friday - Not Applicable	Rahmania Mall, Entrance A	06 5 999 999
24	Sahara Centre Branch	Sharjah	Monday to Saturday 09:00 AM - 09:00 PM. Friday 3:00 PM - 9:00 PM	Monday to Saturday 09:00 AM - 03:00 PM. Friday - Not Applicable	Sahara Center, Lower Ground Floor, Banks and Services Area	06 5 999 999
25	SAIF Zone Branch	Sharjah	Monday to Saturday 08:00 AM - 02:30 PM. Friday 7:15 AM to 11:45 AM	Monday to Saturday 08:00 AM - 02:30 PM. Friday 7:15 AM to 11:45 AM	Sharjah Airport Road, Saif Zone Area, Next to Emirates Post Office	06 5 999 999
26	Sharjah Main Branch	Sharjah	Monday to Saturday 08:00 AM - 02:30 PM. Friday 7:15 AM to 11:45 AM	Monday to Saturday 08:00 AM - 02:30 PM. Friday 7:15 AM to 11:45 AM	Al Khan Area, Near Al Qasba Canal, Sharjah Islamic Bank Tower	06 5 999 999

27	Shj. Court Branch	Sharjah	Monday to Thursday 08:00 AM - 02:30 PM. Friday 7:15 AM to 11:45 AM	Monday to Thursday 08:00 AM - 02:30 PM. Friday 7:15 AM to 11:45 AM	Al Khan Area, Al Meena Street Port Khalid, Sharjah Court Building	06 5 999 999
28	Shj. Economic Dept. Branch	Sharjah	Monday to Thursday 08:00 AM - 02:30 PM. Friday 7:15 AM - 11:45 AM	Monday to Thursday 08:00 AM - 02:30 PM. Friday 7:15 AM - 11:45 AM	Al Layyah Area, Sharjah Economic Development Department Building	06 5 999 999
29	University of Sharjah - Gents Branch	Sharjah	Monday to Thursday 08:00 AM - 02:30 PM. Friday 7:15 AM to 11:45 AM	Monday to Thursday 08:00 AM - 02:30 PM. Friday 7:15 AM to 11:45 AM	University City Area, University of Sharjah, Men's College, Student Center	06 5 999 999
30	University of Sharjah - Ladies Branch	Sharjah	Monday to Thursday 08:00 AM - 02:30 PM. Friday 7:15 AM - 11:45 AM	Monday to Thursday 08:00 AM - 02:30 PM. Friday 7:15 AM - 11:45 AM	University City Area, University of Sharjah, Women's College, W21	06 5 999 999
31	Wasit Branch	Sharjah	Monday to Saturday 08:00 AM - 08:00 PM. Friday 07:15 AM - 11:45 AM & 03:00 PM - 08:00 PM	Monday to Saturday 08:00 AM - 02:00 PM. Friday 07:15 AM - 11:45 AM	Al Khazamiyah Area, Wasit Road, near to Al Qasimi Hospital	06 5 999 999
32	Dibba Al Hisn Branch	Sharjah - Dibba - East Coast	Monday to Saturday 08:00 AM - 02:30 PM. Friday 7:15 AM to 11:45 AM	Monday to Saturday 08:00 AM - 02:30 PM. Friday 7:15 AM to 11:45 AM	Al Akd Al Fareed Road, Near to Government Buildings	06 5 999 999
33	Kalba Branch	Sharjah - Kalba - East Coast	Monday to Saturday 08:00 AM - 02:30 PM. Friday 7:15 AM to 11:45 AM	Monday to Saturday 08:00 AM - 02:30 PM. Friday 7:15 AM to 11:45 AM	Sheikh Saeed Road, Opposite Sidra Park	06 5 999 999
34	Khorfakkan Branch	Sharjah - Khorfakkan - East Coast	Monday to Saturday 08:00 AM - 02:30 PM. Friday 7:15 AM to 11:45 AM	Monday to Saturday 08:00 AM - 02:30 PM. Friday 7:15 AM to 11:45 AM	Al Rugaylat Road, Opposite Khorfakan Beach	06 5 999 999

Annex 4 - Company's organization Chart

