

Emirates Central Cooling Systems Corporation P.J.S.C

Interim condensed consolidated financial statements

For the three-month and six-month periods ended 30 June 2025
(unaudited)

Emirates Central Cooling Systems Corporation P.J.S.C

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Emirates Central Cooling Systems Corporation P.J.S.C

Directors' report for the three-month and six-month periods ended 30 June 2025

Directors' report

The Board of Directors present their report and interim condensed consolidated financial statements of Emirates Central Cooling Systems Corporation P.J.S.C (the "Company") and its subsidiaries (together referred to as the "Group") for the three-month and six-month periods ended 30 June 2025.

Principal activities

The principal activities of the Group are the provision of district cooling services, operations and maintenance of central cooling plants and related distribution networks and manufacturing of pre-insulated pipes for district cooling services.

Financial performance

The Group achieved a turnover of AED 1,453,433 thousand during the six-month period ended 30 June 2025, which represented a growth of 7.5% compared to the same period last year and achieved an operating profit of AED 531,099 thousand, which represented a growth of 1% compared to the same period last year. The net profit attributable to the equity holders of the Company amounted to AED 397,944 thousand for the six-month period ended 30 June 2025.

Share capital

The paid-up capital of the Company is AED 1,000,000 thousand consisting of 10,000,000 thousand shares of AED 0.10 each. There has been no change in the capital structure of the Company during the six-month period ended 30 June 2025.

Transfer to statutory reserve

The transfer of profit to the statutory reserve has been suspended as the reserve has reached 50% of the paid-up share capital in prior years.

Dividend

A final dividend of AED 437,500 thousand (AED 0.04375 per share) in respect of the year ended 31 December 2024 was declared and approved in the Annual General Assembly Meeting held on 19 March 2025 which was paid on 16 April 2025. No interim dividend has been declared for the six-month period ended 30 June 2025.

Key agreements signed

During the six-month period ended 30 June 2025, Empower has signed 84 new agreements in and around its existing concession agreements with a total demand capacity of approximately 88,000 RT, with Empower's total contracted capacity reaching 1.86 million RT. In addition to the above customer service agreements, Empower has signed the following two major agreements:

- 1) Agreement with Dubai Multi Commodities Centre (DMCC), the leading international business district that drives the flow of global trade through Dubai, to supply the next phase of Uptown Dubai with its district cooling services, for a capacity of 24,675 refrigeration tons (RT); and

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Directors' report

for the three-month and six-month periods ended 30 June 2025 (continued)

Key agreements signed (continued)

- 2) Agreement with Wasl Group to provide district cooling services to "The Island" project in Dubai with a capacity of 23,853 refrigeration tons (RT). The Island is a luxury beachfront development, spanning over a 10.5 hectare man-made island near Burj Al Arab and Jumeirah Beach.


Awards and achievements

Empower has won three prestigious awards at the International District Energy Association Annual Conference and Exhibition (IDEA 2025) held in Minneapolis USA which includes two gold awards in the categories "Total Number of Buildings Committed" and "Total Building Area Committed" for district cooling services outside North America.

Auditors

The interim condensed consolidated financial statements of the Group were reviewed by PricewaterhouseCoopers Limited Partnership Dubai Branch, who were re-appointed as external auditors of the Group for the year 2025 in the Annual General Assembly meeting held on 19 March 2025.

On behalf of the Board



H.E Saeed Mohammed Ahmad Al Tayer
Chairman
4 August 2025



Review report on interim condensed consolidated financial statements to the board of directors of Emirates Central Cooling Systems Corporation P.J.S.C

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Emirates Central Cooling Systems Corporation P.J.S.C (the "Company") and its subsidiaries (the "Group") as at 30 June 2025 and the related interim condensed consolidated statement of comprehensive income for the three-month and six-month periods then ended, and 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."

PricewaterhouseCoopers Limited Partnership Dubai Branch
4 August 2025

Liana Kalakesh
Registered Auditor Number 5599
Dubai, United Arab Emirates

Emirates Central Cooling Systems Corporation P.J.S.C

Interim condensed consolidated statement of financial position

		As at	
		30 June 2025 AED'000 Unaudited	31 December 2024 AED'000 Audited
ASSETS	Note		
Non-current assets			
Property, plant and equipment	6	7,058,501	6,995,160
Right-of-use assets		2,832	5,513
Investment properties	28	174,211	118,015
Intangible assets	7	321,747	327,825
Financial assets at amortised cost	8	1,294,417	1,304,838
Financial assets at fair value through other comprehensive income	9	55,696	55,709
Investment in a joint venture		-	307
Deferred tax assets	27	15,656	16,228
		<u>8,923,060</u>	<u>8,823,595</u>
Current assets			
Inventories		52,476	53,789
Trade and other receivables	11	394,140	275,280
Due from related parties	13	70,819	18,076
Financial assets at amortised cost	8	20,410	19,949
Financial assets at fair value through profit or loss	10	35,257	25,466
Term deposits		41,333	30,264
Cash and cash equivalents	14	2,042,651	1,936,627
		<u>2,657,086</u>	<u>2,359,451</u>
Total assets		<u>11,580,146</u>	<u>11,183,046</u>
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		1,000,000	1,000,000
Statutory reserve		500,000	500,000
Other reserves		18,189	18,768
Contributed capital		82,190	82,190
Retained earnings		<u>1,557,076</u>	<u>1,596,632</u>
		3,157,455	3,197,590
Non-controlling interests		<u>180,464</u>	<u>175,745</u>
Total equity		<u>3,337,919</u>	<u>3,373,335</u>
LIABILITIES			
Non-current liabilities			
Bank borrowings	15	5,500,000	5,496,219
Government grant		301,388	302,778
Provision for employees' end of service benefits		62,369	57,646
Retention payable	16	9,632	16,189
Lease liabilities		-	159
		<u>5,873,389</u>	<u>5,872,991</u>
Current liabilities			
Trade and other payables	16	2,008,396	1,677,637
Bank borrowings	15	2,470	2,196
Current tax liabilities	27	128,076	88,953
Due to related parties	13	223,836	159,372
Government grant		3,170	3,170
Lease liabilities		2,890	5,392
		<u>2,368,838</u>	<u>1,936,720</u>
Total liabilities		<u>8,242,227</u>	<u>7,809,711</u>
Total equity and liabilities		<u>11,580,146</u>	<u>11,183,046</u>

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 4 August 2025 and were signed on their behalf by:

Chief Executive Officer

Chairman

The notes on pages 8 to 29 form an integral part of these interim condensed consolidated financial statements

Emirates Central Cooling Systems Corporation P.J.S.C

Interim condensed consolidated statement of comprehensive income

	Note	Three-month period ended 30 June		Six-month period ended 30 June	
		2025	2024	2025	2024
		AED'000 Unaudited	AED'000 Unaudited	AED'000 Unaudited	AED'000 Unaudited
Revenue	17	913,474	813,821	1,453,433	1,351,541
Interest income on financial asset at amortised cost	8	14,524	14,708	28,938	29,414
Cost of sales	19	(541,358)	(476,863)	(832,121)	(743,533)
Gross profit		386,640	351,666	650,250	637,422
General and administrative expenses	20	(64,126)	(57,682)	(125,017)	(116,511)
Reversal of provision for expected credit losses		-	-	-	462
Other income		4,450	1,001	5,866	3,026
Operating profit		326,964	294,985	531,099	524,399
Finance income		11,353	14,799	24,451	22,437
Finance costs		(55,027)	(63,432)	(113,192)	(118,686)
Finance costs – net		(43,674)	(48,633)	(88,741)	(96,249)
Profit before income tax		283,290	246,352	442,358	428,150
Income tax expense	27	(25,446)	(22,327)	(39,695)	(38,621)
Profit for the interim period		257,844	224,025	402,663	389,529
Profit attributable to:					
Equity holders of the Company		254,973	221,181	397,944	384,542
Non-controlling interests		2,871	2,844	4,719	4,987
		<u>257,844</u>	<u>224,025</u>	<u>402,663</u>	<u>389,529</u>
Basic and diluted earnings per share for profit attributable to the equity holders of the Company (AED)	24	<u>0.0255</u>	<u>0.0221</u>	<u>0.0398</u>	<u>0.0385</u>
Profit for the interim period		257,844	224,025	402,663	389,529
Other comprehensive income/(loss)					
<i>Items that may be reclassified to profit or loss</i>					
Changes in fair value of financial assets at fair value through other comprehensive income		(204)	58	(14)	786
Deferred tax income / (expense)		17	(5)	-	(71)
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurement of post-employment benefit obligations		(565)	1,726	(565)	1,726
Other comprehensive income for the period		(752)	1,779	(579)	2,441
Total comprehensive income for the period		257,092	225,804	402,084	391,970
Total comprehensive income attributable to:					
Equity holders of the Company		254,221	222,960	397,365	386,983
Non-controlling interests		2,871	2,844	4,719	4,987
		<u>257,092</u>	<u>225,804</u>	<u>402,084</u>	<u>391,970</u>

Emirates Central Cooling Systems Corporation P.J.S.C

Interim condensed consolidated statement of changes in equity

	Note	Attributable to equity holders of the Company						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 2025		1,000,000	500,000	18,768	1,596,632	82,190	3,197,590	175,745	3,373,335
Total comprehensive income for the period									
Profit for the interim period		-	-	-	397,944	-	397,944	4,719	402,663
Other comprehensive income									
Other comprehensive income for the period		-	-	(579)	-	-	(579)	-	(579)
Total comprehensive income for the period		-	-	(579)	397,944	-	397,365	4,719	402,084
Transaction with owners in their capacity as owners:									
Dividends	12	-	-	-	(437,500)	-	(437,500)	-	(437,500)
At 30 June 2025 (unaudited)		<u>1,000,000</u>	<u>500,000</u>	<u>18,189</u>	<u>1,557,076</u>	<u>82,190</u>	<u>3,157,455</u>	<u>180,464</u>	<u>3,337,919</u>
At 1 January 2024		1,000,000	500,000	14,510	1,547,518	82,190	3,144,218	166,783	3,311,001
Total comprehensive income for the period									
Profit for the interim period		-	-	-	384,542	-	384,542	4,987	389,529
Other comprehensive income									
Other comprehensive income for the period		-	-	2,441	-	-	2,441	-	2,441
Total comprehensive income for the period		-	-	2,441	384,542	-	386,983	4,987	391,970
Transaction with owners in their capacity as owners:									
Acquisition of minority interest		-	-	-	2,360	-	2,360	(2,519)	(159)
Dividends	12	-	-	-	(425,000)	-	(425,000)	-	(425,000)
At 30 June 2024 (unaudited)		<u>1,000,000</u>	<u>500,000</u>	<u>16,951</u>	<u>1,509,420</u>	<u>82,190</u>	<u>3,108,561</u>	<u>169,251</u>	<u>3,277,812</u>

Emirates Central Cooling Systems Corporation P.J.S.C

Interim condensed consolidated statement of cash flows

		Six-month period ended 30 June	
		2025	2024
		AED'000	AED'000
Note		Unaudited	Unaudited
Cash flows from operating activities			
	Profit before tax	442,358	428,150
Adjustments for:			
	Depreciation of property, plant and equipment	6	176,306
	Depreciation of right-of-use assets		2,681
	Depreciation of investment properties	28	2,898
	Reversal of impairment of trade receivables		-
	Settlement of financial assets	8	38,898
	Amortisation of intangible assets	7	6,078
	Share of loss from joint venture		191
	Gain on modification of lease		-
	Loss on disposal of property, plant and equipment		-
	Amortisation of borrowings arrangement fee		3,781
	Provision for employees' end of service benefits		5,035
	Interest on lease liability		117
	Interest income earned on financial assets at amortised cost	8	(28,938)
	Finance income		(24,451)
	Finance costs		109,294
	Government grant income		(1,390)
Operating cash flows before changes in working capital and			
Payment of employees' end of service benefits		732,858	708,714
Changes in working capital:			
	Inventories		1,313
	Trade and other receivables		(140,180)
	Due from related parties		(52,743)
	Trade and other payables		244,156
	Due to related parties		64,579
Cash generated from operations		849,983	780,309
	Payment of employees' end of service benefits		(877)
Net cash generated from operating activities		849,106	779,843
Cash flows from investing activities			
	Acquisition of minority interest in a subsidiary		-
	Capital expenditure, net of project cost accruals		(189,027)
	Investment in financial assets at fair value through profit or loss		(9,791)
	Short-term deposits (more than 3 months) invested		(11,069)
	Interest received		24,451
Net cash used in investing activities		(185,436)	(464,100)
Cash flows from financing activities			
	Proceeds from bank borrowings net of arrangement fee		4,749,358
	Repayment of bank borrowings		(4,750,000)
	Lease payments		(2,778)
	Interest paid		(116,726)
	Dividends paid	12	(437,500)
Net cash generated from financing activities		(557,646)	479,120
Net increase in cash and cash equivalents		106,024	794,863
	Cash and cash equivalents, beginning of the period		1,936,627
	Cash and cash equivalents, end of the period	14	2,042,651

Emirates Central Cooling Systems Corporation P.J.S.C

Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2025

1 Establishment and operations

Emirates Central Cooling Systems Corporation P.J.S.C (“EMPOWER” or “the Company”) was established on 23 November 2003 in accordance with Article 3 of Law No. 10 “Emirates Central Cooling Systems Corporation Incorporation Law for the year 2003” (“the Decree”). The Company was established as a joint venture between Dubai Electricity and Water Authority (“DEWA”), which is ultimately owned by the Government of Dubai (Ultimate Parent), and the Dubai Development Authority (later transferred to TECOM Investments FZ-LLC (“TECOM”). EMPOWER began commercial operations on 15 February 2004, and its principal activities are the provision of district cooling services and management, operation and maintenance of central cooling plants and related distribution networks.

In 2009, DEWA increased its shareholding in the Company to 70% and reduced TECOM’s interest to 30%, as formalised through 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.

On 14 October 2022, the legal status of the Company was amended to a Public Joint Stock Company through Decree No. 22 of 2022 issued by the Ruler of Dubai. EMPOWER was listed on the Dubai Financial Market, on 15 November 2022, by listing 20% of its share capital. As a result, DEWA and Emirates Power Investment LLC’s interest was diluted to 56.0% and 24.0% respectively.

The Company’s primary office is located at Al Hudaiba Awards Building, P.O. Box 8081, Dubai, United Arab Emirates.

These interim condensed consolidated financial statements relate to the Company and its subsidiaries (collectively referred to as “the Group”). The Company has the following principal subsidiaries:

Subsidiary	Principal activity	Beneficial and legal holding	
		2025	2024
Empower Insulated Pipe Systems LLC (formerly Empower Logstor LLC)*	Manufacturing of pre-insulated pipes, mainly for district cooling.	100.0%	100.0%
Palm District Cooling LLC **	Establishing and operating district cooling projects and provide air-conditioning, ventilator and refrigeration services.	100.0%	100.0%
Palm Utilities LLC **	Establishing and operating district cooling projects and provide air-conditioning, ventilator and refrigeration services.	100.0%	100.0%
Empower FM LLC	Installations of equipment, installations and supplies for air conditioning, ventilation and purification systems, as well as their 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%
Dxb CoolCo FZCO	Establishing and operating district cooling projects and provide air-conditioning, ventilator and refrigeration services.	85.0%	85.0%

Emirates Central Cooling Systems Corporation P.J.S.C

Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2025 (continued)

1 Establishment and operations (continued)

- * During 2024, EMPOWER acquired 3% minority shareholding in Empower Logstor L.L.C from Logstor Holding for AED 159 thousand. In July 2024, the legal name was changed to Empower Insulated Pipe Systems LLC.
- ** During 2024, EMPOWER acquired additional 1% shareholding in Palm Utilities LLC, from Utilities Management Company LLC. As a result of this transaction, the ownership of EMPOWER in Palm Utilities LLC and Palm District Cooling LLC increased to 100%.

These interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2025 were authorised for issue in accordance with a resolution of the Board of Directors on 4 August 2025.

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 2024. The comparative information for interim condensed consolidated statement of comprehensive income for the three-month and six-month periods ended 30 June 2025, and interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended and other explanatory notes is based on the unaudited interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2024.

2 Basis of preparation

These interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2025 have been prepared in accordance with International Accounting Standard 34 'Interim financial reporting', ("IAS 34").

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 2024.

3 Material 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 2024 except for the adoption of new and amended standards as set out below:

(a) New and amended standards adopted by the Group

The Group has applied the following amendments for the first time from 1 January 2025:

- Amendments to IAS 21 - Lack of Exchangeability

The Group did not have to change its material accounting policies or make retrospective adjustments as a result of adopting the amended standard.

Emirates Central Cooling Systems Corporation P.J.S.C

Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2025 (continued)

3 Material 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
Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026
Amendment to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity	1 January 2026
IFRS 18 Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

Management is currently assessing the impact of aforementioned new accounting standards, amendments and interpretations.

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 2024.

5 Financial risk management

5.1 Financial risk factors

The Group's activities and borrowings exposes 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 2024. There have been no changes in any financial risk management policies since year-end.

5.2 Liquidity risk

During the six-month period ended 30 June 2025, the Group has refinanced certain existing facilities which were due on 26 September 2027. The information in relation to refinancing, including contractual maturity and cash flows, are disclosed in Note 15. There has been no other material change in the contractual undiscounted cash outflows for financial liabilities during the 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), due from related parties, financial assets at amortised cost and term deposits. 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 P.J.S.C

Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended
30 June 2025 (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 2025	432,364	9,459,653	70,709	22,078	12,625	47,922	12,103	339,040	10,396,494
Additions	-	616	-	1,060	-	1,218	337	269,824	273,055
Transfers	-	135,043	-	-	-	379	-	(135,422)	-
Transfer to investment properties	-	-	-	-	-	-	-	(33,408)	(33,408)
Disposals / Retirements	-	(16,721)	-	(2)	-	-	-	-	(16,723)
At 30 June 2025									
(unaudited)	432,364	9,578,591	70,709	23,136	12,625	49,519	12,440	440,034	10,619,418
Accumulated depreciation									
At 1 January 2025	-	3,265,155	37,330	20,192	12,037	40,748	7,859	18,013	3,401,334
Charge for the period	-	171,412	1,384	854	104	1,832	720	-	176,306
Disposals / Retirements	-	(16,721)	-	(2)	-	-	-	-	(16,723)
At 30 June 2025									
(unaudited)	-	3,419,846	38,714	21,044	12,141	42,580	8,579	18,013	3,560,917
Net book amount at 30 June 2025 (unaudited)	<u>432,364</u>	<u>6,158,745</u>	<u>31,995</u>	<u>2,092</u>	<u>484</u>	<u>6,939</u>	<u>3,861</u>	<u>422,021</u>	<u>7,058,501</u>

Emirates Central Cooling Systems Corporation P.J.S.C

Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2025 (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 2024	432,364	9,162,263	70,709	20,692	12,455	44,940	11,992	249,832	10,005,247
Additions	-	-	-	524	-	596	441	240,619	242,180
Transfers	-	45,898	-	-	-	-	-	(45,898)	-
Disposals / Retirements	-	(10,743)	-	(25)	-	-	(446)	-	(11,214)
At 30 June 2024 (unaudited)	432,364	9,197,418	70,709	21,191	12,455	45,536	11,987	444,553	10,236,213
Accumulated depreciation									
At 1 January 2024	-	2,943,456	34,545	18,222	11,779	38,541	6,795	17,094	3,070,432
Charge for the period	-	160,584	1,384	574	142	703	749	-	164,136
Disposals / Retirements	-	(10,743)	-	(25)	-	-	(413)	-	(11,181)
At 30 June 2024 (unaudited)	-	3,093,297	35,929	18,771	11,921	39,244	7,131	17,094	3,223,387
Net book amount at 30 June 2024 (unaudited)	432,364	6,104,121	34,780	2,420	534	6,292	4,856	427,459	7,012,826

During 2022, the Group returned 11 plots of land to a related party, which were granted in previous years for the purpose of constructing the district cooling plants. Accordingly, the carrying amount of AED 59,382 thousand was reversed from property, plant and equipment and the corresponding deferred government grant. District cooling assets with a net book value of AED 308,527 thousand are developed on some of these plots of land. Management signed a Master Land Agreement and Exclusivity and Framework Agreement with the related party granting the Group unlimited access over 8 plots. The Master Land Agreement refers to separate lease agreements which were executed for 6 plots subsequent to the period ended 30 June 2025 on reasonable terms and for a nominal value. The remaining lease agreements for 2 plots are yet to be executed on similar terms. EMPOWER will continue to have uninterrupted and unencumbered use of the plots until the relevant lease agreements are entered into.

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 2025, the transfer to plant, equipment and machinery from capital work in progress represents additions mainly to district cooling projects. Additions during the period includes AED 109,714 thousand of non-cash transactions.

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Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2025 (continued)

6 Property, plant and equipment (continued)

	Three-month period ended 30 June		Six-month period ended 30 June	
	2025	2024	2025	2024
	AED'000	AED'000	AED'000	AED'000
	Unaudited	Unaudited	Unaudited	Unaudited
Depreciation expense has been charged to:				
Cost of sales (Note 19)	87,645	80,551	171,412	160,584
General and administrative expenses (Note 20)	2,717	1,797	4,894	3,552
	<u>90,362</u>	<u>82,348</u>	<u>176,306</u>	<u>164,136</u>

7 Intangible assets

	30 June 2025 AED'000 Unaudited	31 December 2024 AED'000 Audited
At 1 January	327,825	339,982
Amortisation during the period/year	<u>(6,078)</u>	<u>(12,157)</u>
At 30 June / 31 December	<u>321,747</u>	<u>327,825</u>

Intangible assets of the Group represent rights to charge users that have been acquired and recognised at fair value as of the acquisition date. These assets have a useful life of 30 years.

8 Financial assets at amortised cost

	30 June 2025 AED'000 Unaudited	31 December 2024 AED'000 Audited
At 1 January	1,324,787	1,343,891
Interest earned during the period/year	28,938	59,151
Settlement during the period/year	<u>(38,898)</u>	<u>(78,255)</u>
At 30 June / 31 December	1,314,827	1,324,787
Less: current portion	<u>(20,410)</u>	<u>(19,949)</u>
Non-current portion	<u>1,294,417</u>	<u>1,304,838</u>

The balance of financial assets at amortised cost as above represents receivable of:

- (a) AED 294,217 thousand (2024: AED 296,600 thousand) from Nakheel PJSC, an entity under common control, in relation to acquisition of Empower Snow LLC during 2021, and
- (b) AED 1,020,610 thousand (2024: AED 1,028,187 thousand) from Dubai Aviation City Corporation, an entity under common control, in relation to acquisition of DXB CoolCo FZCO during 2023.

Emirates Central Cooling Systems Corporation P.J.S.C

Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2025 (continued)

9 Financial assets at fair value through other comprehensive income (FVTOCI)

	30 June 2025 AED'000 Unaudited	31 December 2024 AED'000 Audited
At 1 January	55,709	54,153
Interest income	2,296	3,948
Interest received	(2,295)	(3,305)
(Loss) / gain during the period/year	(14)	913
At 30 June / 31 December	55,696	55,709

During the period, the following amounts were recognised in profit or loss and other comprehensive income:

	30 June 2025 AED'000 Unaudited	30 June 2024 AED'000 Unaudited
(Loss) / gain recognised in other comprehensive income	(14)	786
Interest income from equity investments held at FVTOCI recognised in profit or loss	2,296	1,652

The Group had invested in Tier 1 Capital Certificates ("Bonds"), which have been issued at their par value. These Bonds are perpetual instruments and are listed. The bonds carry a non-cumulative interest of 6% per annum, payable semi-annually at the discretion of the issuer.

10 Financial assets at fair value through profit or loss

	30 June 2025 AED'000 Unaudited	31 December 2024 AED'000 Audited
Investment in National Bonds	35,083	25,454
Interest accrued	174	12
At 30 June / 31 December	35,257	25,466

During the period ended 30 June 2025, the Group invested an additional amount of AED 10,000 thousand into the National Bonds Corporation Sole Proprietorship P.S.C.

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Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2025 (continued)

11 Trade and other receivables

	30 June 2025 AED'000 Unaudited	31 December 2024 AED'000 Audited
Trade receivables	262,039	185,829
Accrued revenues	109,054	38,313
	371,093	224,142
Less: Provision for expected credit losses	(57,215)	(57,215)
	313,878	166,927
<i>Other financial assets at amortised cost</i>		
Other receivables	15,839	15,645
<i>Other assets</i>		
Advance to contractors / suppliers	53,792	75,112
Prepayments	10,631	17,596
	64,423	92,708
	394,140	275,280

Other receivables includes a deposit of AED 4,490 thousand (2024: AED 4,490 thousand) receivable from DEWA (Note 13).

12 Dividends

A final dividend of AED 437,500 thousand (AED 0.04375 per share) in respect of the year ended 31 December 2024 was declared and approved in Annual General Assembly Meeting held on 19 March 2025 which was paid on 16 April 2025 (2024: A final dividend of AED 425,000 thousand (AED 0.0425 per share) in respect of the year ended 31 December 2023 was declared and approved in Annual General Assembly Meeting held on 27 March 2024 which was paid on 23 April 2024).

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 P.J.S.C

Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2025 (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	
	2025	2024	2025	2024
	AED'000	AED'000	AED'000	AED'000
	Unaudited	Unaudited	Unaudited	Unaudited
<i>Services rendered to entities under common control of shareholders</i>				
Dubai Properties Group LLC	39,795	36,120	71,564	63,810
Nakheel PJSC	54,775	36,431	80,770	65,003
Tecom Investments FZ LLC	14,503	15,892	28,272	27,285
Jumeirah Group LLC	13,222	12,687	23,320	21,366
Meraas Holding LLC	9,999	33,167	16,317	39,291
Meydan Group LLC	7,769	5,331	7,769	8,756
Global Village Dubai LLC	167	175	285	304
	<u>140,230</u>	<u>139,803</u>	<u>228,297</u>	<u>225,815</u>
<i>Dividend to shareholders</i>				
Dubai Electricity and Water Authority PJSC (DEWA)	-	-	245,000	238,000
Emirates Power Investment LLC	-	-	105,000	102,000
	<u>-</u>	<u>-</u>	<u>350,000</u>	<u>340,000</u>
<i>Services received from shareholder</i>				
Dubai Electricity and Water Authority PJSC (DEWA)	<u>414,421</u>	<u>365,326</u>	<u>579,398</u>	<u>520,172</u>
<i>Services rendered to entities under common control of Ultimate Parent</i>				
Dubai Airports Corporation	<u>68,639</u>	<u>63,461</u>	<u>110,003</u>	<u>107,638</u>
<i>Services received from entities under common control of Ultimate Parent</i>				
Finance cost from Emirates NBD PJSC	<u>57,355</u>	<u>70,300</u>	<u>113,357</u>	<u>137,147</u>
<i>Key Management Remuneration</i>				
Board of directors' remuneration (Note 20)	<u>1,470</u>	<u>1,450</u>	<u>2,940</u>	<u>2,900</u>
<i>Compensation of key management personnel</i>				
Short term benefits	1,223	1,280	2,442	2,496
End of service benefits	130	130	260	260
	<u>1,353</u>	<u>1,410</u>	<u>2,702</u>	<u>2,756</u>

Emirates Central Cooling Systems Corporation P.J.S.C

Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2025 (continued)

13 Transactions and balances with related parties (continued)

(b) Balances with related parties

	30 June 2025 AED'000 Unaudited	31 December 2024 AED'000 Audited
Due from related parties		
<i>Entities under common control of shareholders</i>		
Meydan Group LLC	9,875	-
Tecom Investments FZ LLC	4,961	140
Jumeirah Group LLC	4,234	2,566
Meraas Holding LLC	2,212	371
Others	42	31
	<u>21,324</u>	<u>3,108</u>
<i>Entity under common control of Ultimate Parent</i>		
Dubai Airports Corporation (DAC)	48,866	14,708
Dubai Aviation City Corporation (DACC)	629	260
	<u>70,819</u>	<u>18,076</u>
Due to related parties		
<i>Shareholders</i>		
Dubai Electricity and Water Authority PJSC (DEWA)	<u>189,048</u>	<u>124,321</u>
<i>Entities under common control of shareholders</i>		
Dubai Properties Group LLC	15,027	17,270
Nakheel PJSC	4,736	10,412
	<u>19,763</u>	<u>27,682</u>
<i>Entity under common control of Ultimate Parent</i>		
Dubai Airports Corporation (DAC)	<u>14,739</u>	<u>6,869</u>
Others	286	500
	<u>223,836</u>	<u>159,372</u>

Amounts included in bank borrowings, financial assets at amortised cost, cash and cash equivalents and trade and other receivables

<i>Shareholder</i>		
Dubai Electricity and Water Authority PJSC (Note 11)	<u>4,490</u>	<u>4,490</u>
<i>Entities under common control of shareholder</i>		
Emirates NBD PJSC	5,933,054	5,556,869
Dubai Aviation City Corporation (DACC)	1,020,609	1,028,187
Nakheel PJSC	294,217	296,600
Emirates Islamic Bank (P.J.S.C.)	121,758	135,847
Dubai Islamic Bank PJSC	18,391	1,022,820

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Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2025 (continued)

14 Cash and cash equivalents

	30 June 2025 AED'000 Unaudited	31 December 2024 AED'000 Audited
Cash on hand	1,143	-
Cash at bank	165,754	394,761
Short term bank deposits – less than 3 months	1,875,754	1,541,866
	<u>2,042,651</u>	<u>1,936,627</u>

Bank balances are held with branches of local and international banks. Short-term bank deposits bear an effective interest rate of 3.80% to 4.82% per annum (2024: of 3.75% to 5.45% 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.

The Group earned finance income AED 24,451 thousand during the six-month period ended 30 June 2025 (2024: AED 22,437 thousand). The increase is mainly due to increase in average deposit placed during the period.

15 Bank borrowings

	30 June 2025 AED'000 Unaudited	31 December 2024 AED'000 Audited
Term loan	-	2,750,000
Interest accrued	-	388
Unamortised arrangement fee	-	(3,781)
Term loan	-	<u>2,746,607</u>
Revolving credit facilities	5,500,000	2,750,000
Interest accrued	2,470	1,808
Revolving credit facilities	<u>5,502,470</u>	<u>2,751,808</u>
Total borrowings	5,502,470	5,498,415
Less: current portion	(2,470)	(2,196)
Non-current balance	<u>5,500,000</u>	<u>5,496,219</u>

During the six-months period ended 30 June 2025, the Group accrued interest amounting to AED 119,196 thousand and paid AED 116,726 thousand. Interest accrued as of 30 June 2025 amounts to AED 2,470 thousand, classified as short-term portion of bank borrowings which is payable in July 2025.

Emirates Central Cooling Systems Corporation P.J.S.C

Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2025 (continued)

15 Bank borrowings (continued)

The movement in bank borrowings during the period:

	30 June 2025 AED'000 Unaudited	31 December 2024 AED'000 Audited
As at 1 January	5,498,415	4,492,438
Drawdown during the period/year	4,749,358	4,749,358
Interest expense during the period/year	109,294	246,359
Interest capitalised during the period/year	8,348	55,489
Interest paid during the period/year	(116,726)	(299,010)
Principal repayment during the period/year	(4,750,000)	(3,750,000)
Arrangement fee charged to statement of profit and loss	3,781	3,781
At 30 June / 31 December	<u>5,502,470</u>	<u>5,498,415</u>

During the year ended 31 December 2024, the Group exchanged certain borrowing facilities with one of its existing lenders. For further information, please refer to note 19 in the Group's annual consolidated financial statements for the year ended 31 December 2024.

On 25 February 2025, the Group exchanged certain borrowing facilities with one of its existing lenders which resulted in the following changes to the terms of the facilities:

- Extension of the maturity date from September 2027 to February 2028.
- Reduction in interest margin.
- Change in the nature of the facilities from term loans to revolving facilities.

Pursuant to the requirements of International Financial Reporting Standard 9, the Group assessed whether the present value of the new cash flows under the new terms is at least 10% different from the present value of the remaining cash flows of the original liability, using the original effective interest rate, based on this quantitative test the difference is less than 10%.

The Group has adopted as its accounting policy to perform a qualitative assessment in addition to the quantitative test, when the difference is less than 10%.

Management has considered the qualitative changes (e.g. change in the nature of the facilities from term loan to revolving credit facilities, extension of term, changes in interest margin) and concluded that those changes are substantial, and as such the exchange of the loan with the existing lender results in a new loan with substantially different terms compared to the original loan. Therefore, the arrangement was accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability, at fair value.

The difference between the carrying amount of a financial liability extinguished and the consideration paid is recognised in profit or loss, together with the related costs/fees incurred amounting to AED 4,423 thousand which includes the arrangement fee in relation to previous borrowings amounting to AED 3,781 thousand.

Emirates Central Cooling Systems Corporation P.J.S.C

Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2025 (continued)

15 Bank borrowings (continued)

As of 30 June 2025, the Group has the following outstanding borrowing facilities;

Facility	Maturity	Interest rate	Amount (AED'000)
RCF – Conventional & Islamic	September 2027	EIBOR + margin	2,750,000
RCF – Conventional & Islamic	February 2028	EIBOR + margin	2,750,000
Total			5,500,000

Revolving credit facilities (RCF) are classified as non-current liabilities at the end of the reporting period as the Company has a right to defer settlement of these for at least 12 months after the reporting period.

The maturity profile of the borrowings is as follows:

	30 June 2025 AED'000 Unaudited	31 December 2024 AED'000 Audited
Within one year	2,470	2,196
After one year but not more than three years	5,500,000	5,496,219
	5,502,470	5,498,415

The change in financial covenants is not substantial and the facilities are guaranteed by the Company and Palm District Cooling LLC.

The undrawn facilities are Nil as at 30 June 2025 (31 December 2024: Nil).

16 Trade and other payables

	30 June 2025 AED'000 Unaudited	31 December 2024 AED'000 Audited
Deferred revenue	641,955	520,094
Refundable customers' security deposits	519,125	492,212
Project cost accruals	312,658	277,730
Project payables	138,087	93,539
Retention payable	92,243	91,673
Other liabilities*	313,960	218,578
	2,018,028	1,693,826
Less: Non-current portion of retention payable	(9,632)	(16,189)
Current portion	2,008,396	1,677,637

*Other liabilities includes accrued expenses for water and electricity amounting to AED 109,796 thousand (31 December 2024: AED 37,967 thousand) payable to DEWA.

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Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2025 (continued)

16 Trade and other payables (continued)

Movement in deferred revenue is as follows:

	30 June 2025 AED'000 Unaudited	30 June 2024 AED'000 Unaudited
At the beginning of the period	520,094	341,792
Billed during the period	765,764	667,771
Less: Income recognised during the period	(643,903)	(572,790)
At the end of the period	641,955	436,773

17 Revenue

	Three-month period ended 30 June		Six-month period ended 30 June	
	2025 AED'000 Unaudited	2024 AED'000 Unaudited	2025 AED'000 Unaudited	2024 AED'000 Unaudited
District cooling services	907,110	811,607	1,445,361	1,348,730
Sale of pre-insulated pipes	6,364	2,214	8,072	2,811
	913,474	813,821	1,453,433	1,351,541

18 Operating segments

The Group has determined that the Board of Directors, are the chief operating decision-makers ("CODM") as per the requirements of IFRS 8 Operating Segments.

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 Board of Directors are 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 Board of Directors 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 the Board of Directors, the Group is currently organised into two major operating and reportable segments 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 six-month periods ended 30 June 2025 (continued)

18 Operating segments (continued)

	Six-month period ended 30 June 2025 (unaudited)				Six-month period ended 30 June 2024 (unaudited)			
	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	1,445,361	8,072	-	1,453,433	1,348,731	2,810	-	1,351,541
Interest earned on financial asset at amortised cost	28,938	-	-	28,938	29,414	-	-	29,414
Inter-segment revenue	-	12,410	(12,410)	-	-	21,883	(21,883)	-
Total revenues	1,474,299	20,482	(12,410)	1,482,371	1,378,145	24,693	(21,883)	1,380,955
Cost of sales	(825,935)	(12,974)	6,788	(832,121)	(740,786)	(15,270)	12,523	(743,533)
Gross profit	648,364	7,508	(5,622)	650,250	637,359	9,423	(9,360)	637,422
General and administrative expenses	(122,527)	(2,490)	-	(125,017)	(113,434)	(3,077)	-	(116,511)
Provision for expected credit losses	-	-	-	-	-	462	-	462
Other income	5,862	4	-	5,866	1,949	1,077	-	3,026
Operating profit	531,699	5,022	(5,622)	531,099	525,874	7,885	(9,360)	524,399
Finance income	23,552	899	-	24,451	21,650	787	-	22,437
Finance costs	(113,192)	-	-	(113,192)	(118,686)	-	-	(118,686)
Profit before tax	442,059	5,921	(5,622)	442,358	428,838	8,672	(9,360)	428,150
Income tax	(39,667)	(28)	-	(39,695)	(38,621)	-	-	(38,621)
Net profit for the period	402,392	5,893	(5,622)	402,663	390,217	8,672	(9,360)	389,529

Inter-segment transaction are eliminated on consolidation.

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Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2025 (continued)

18 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 2025 (unaudited)			Six-month period ended 30 June 2024 (unaudited)		
	Chilled water AED'000	Pre- insulated pipe AED'000	Total AED'000	Chilled water AED'000	Pre- insulated pipe AED'000	Total AED'000
Depreciation on property, plant and equipment (Note 6)	175,202	1,104	176,306	162,941	1,195	164,136
Depreciation on right-of-use assets	2,681	-	2,681	2,220	-	2,220
Depreciation on investment properties (Note 28)	2,898	-	2,898	-	-	-
Amortisation of intangible asset (Note 7)	6,078	-	6,078	6,078	-	6,078
Total Depreciation and Amortisation	186,859	1,104	187,963	171,239	1,195	172,434

Segment assets and liabilities are as follows:

	Six-month period ended 30 June 2025 (unaudited)			Six-month period ended 30 June 2024 (unaudited)		
	Chilled water AED'000	Pre- insulated pipe AED'000	Total AED'000	Chilled water AED'000	Pre- insulated pipe AED'000	Total AED'000
Segment assets	11,485,262	94,884	11,580,146	10,936,735	111,199	11,047,934
Investment in joint venture	-	-	-	307	-	307
Total assets	11,485,262	94,884	11,580,146	10,937,042	111,199	11,048,241
Segment liabilities	8,228,054	14,173	8,242,227	7,755,875	14,554	7,770,429
Total liabilities	8,228,054	14,173	8,242,227	7,755,875	14,554	7,770,429

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Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2025 (continued)

18 Operating segments (continued)

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

	Six-month period ended 30 June 2025 (unaudited)		Six-month period ended 30 June 2024 (unaudited)	
	Chilled water AED'000	Pre- insulated pipe AED'000	Chilled water AED'000	Pre- insulated pipe AED'000
	Total AED'000		Total AED'000	
Property, plant and equipment	273,055	-	273,055	472
				242,180

Geographic information

The Group's revenues, profits and assets completely relate to its operations in Dubai, UAE only. The following table presents certain revenue and non-current assets information relating to the Group based on geographical location of the operating units:

	Revenue		Non-current assets	
	30 June 2025 (unaudited) AED'000	30 June 2024 (unaudited) AED'000	30 June 2025 (unaudited) AED'000	31 December 2024 (audited) AED'000
United Arab Emirates	1,453,433	1,351,541	8,923,060	8,823,595

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Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2025 (continued)

19 Cost of sales

	Three-month period ended 30 June		Six-month period ended 30 June	
	2025	2024	2025	2024
	AED'000	AED'000	AED'000	AED'000
	Unaudited	Unaudited	Unaudited	Unaudited
Utilities cost	414,849	366,694	580,951	522,597
Depreciation on property, plant and equipment (Note 6)	87,645	80,551	171,412	160,584
Staff costs (Note 21)	11,606	11,064	23,650	21,593
Repairs and maintenance	9,634	5,163	23,201	12,689
Amortisation of intangible asset (Note 7)	2,965	3,039	6,078	6,078
Materials	3,854	1,150	4,641	1,438
Depreciation on right-of-use assets	332	491	663	511
Others	10,473	8,711	21,525	18,043
	<u>541,358</u>	<u>476,863</u>	<u>832,121</u>	<u>743,533</u>

20 General and administrative expenses

	Three-month period ended 30 June		Six-month period ended 30 June	
	2025	2024	2025	2024
	AED'000	AED'000	AED'000	AED'000
	Unaudited	Unaudited	Unaudited	Unaudited
Staff costs (Note 21)	43,855	41,596	89,417	85,697
Depreciation on property, plant and equipment (Note 6)	2,717	1,797	4,894	3,552
Consultancy	2,364	1,142	3,834	2,387
Board of directors' remuneration	1,470	1,450	2,940	2,900
Depreciation on investment properties (Note 28)	1,756	-	2,898	-
Advertising and marketing expenses	1,998	1,928	2,800	2,814
Communication expenses	1,381	1,334	2,749	2,613
Depreciation on right-of-use assets	1,009	855	2,018	1,709
Business travel	416	50	619	1,326
Rent	128	128	256	192
Others	7,032	7,402	12,592	13,321
	<u>64,126</u>	<u>57,682</u>	<u>125,017</u>	<u>116,511</u>

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Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2025 (continued)

21 Staff costs

	Three-month period ended 30 June		Six-month period ended 30 June	
	2025	2024	2025	2024
	AED'000	AED'000	AED'000	AED'000
	Unaudited	Unaudited	Unaudited	Unaudited
Salaries	36,826	32,010	74,565	67,018
Staff benefits	16,155	18,536	33,467	36,046
End of service benefits	2,480	2,114	5,035	4,226
	<u>55,461</u>	<u>52,660</u>	<u>113,067</u>	<u>107,290</u>
Staff costs have been charged to:				
Cost of sales (Note 19)	11,606	11,064	23,650	21,593
General and administrative expenses (Note 20)	43,855	41,596	89,417	85,697
	<u>55,461</u>	<u>52,660</u>	<u>113,067</u>	<u>107,290</u>

22 Guarantees

As at 30 June 2025, the Group had no outstanding bank guarantees and letters of credits (31 December 2024: Nil), which were issued by the Group's bankers in the normal course of business.

23 Commitments

Capital commitments

As at 30 June 2025, the Group has project commitments of AED 647,035 thousand (31 December 2024: AED 726,784 thousand) for projects-in-progress. These commitments represent the value of contracts issued as of 30 June 2025, net of invoices recorded, and accruals made as of that date.

24 Earning per share

	Three-month period ended 30 June		Six-month period ended 30 June	
	2025	2024	2025	2024
	AED'000	AED'000	AED'000	AED'000
	Unaudited	Unaudited	Unaudited	Unaudited
Profit attributable to the ordinary equity holders of the Company (AED)	<u>254,973</u>	<u>221,181</u>	<u>397,944</u>	<u>384,542</u>
Weighted average number of ordinary shares used as a denominator in calculating basic earnings per share	<u>10,000,000,000</u>	<u>10,000,000,000</u>	<u>10,000,000,000</u>	<u>10,000,000,000</u>
Basic and diluted earnings per share (AED)	<u>0.0255</u>	<u>0.0221</u>	<u>0.0398</u>	<u>0.0385</u>

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Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2025 (continued)

25 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 2025	Level 1 AED'000 Unaudited	Level 2 AED'000 Unaudited	Level 3 AED'000 Unaudited	Total AED'000 Unaudited
Financial assets at fair value through other comprehensive income	55,696	-	-	55,696
Financial assets at fair value through profit or loss	-	35,257	-	35,257
	<u>55,696</u>	<u>35,257</u>	<u>-</u>	<u>90,953</u>
31 December 2024	Level 1 AED'000 Audited	Level 2 AED'000 Audited	Level 3 AED'000 Audited	Total AED'000 Audited
Financial assets at fair value through other comprehensive income	55,709	-	-	55,709
Financial assets at fair value through profit or loss	-	25,466	-	25,466
	<u>55,709</u>	<u>25,466</u>	<u>-</u>	<u>81,175</u>

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.

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Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2025 (continued)

26 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.

27 Income tax expense

(a) Components of income tax expense

Income tax expenses recorded in statement of comprehensive income comprises the following:

	Six-month period ended 30 June	
	2025	2024
	AED'000	AED'000
	Unaudited	Unaudited
Current tax	39,123	38,049
Deferred tax	572	572
Income tax expense for the period	39,695	38,621

Income tax expense is recognised during the six-month period ended 30 June 2025 on the weighted average annual income tax rate for the full financial year. Amounts accrued for income tax expense may have to be adjusted if the annual income tax rate changes. As of 30 June 2025, the Group has current tax liabilities of AED 128,076 thousand (31 December 2024: AED 88,953 thousand) and deferred tax assets of AED 15,656 thousand (31 December 2024: AED 16,228 thousand).

(b) Reconciliation between the tax expense and profit or loss multiplied by applicable tax rate.

The income tax rate applicable to the Group's income is 9% (2024: 9%). A reconciliation between the expected and the actual tax charge is provided below:

	Six-month period ended 30 June	
	2025	2024
	AED'000	AED'000
	Unaudited	Unaudited
Profit before tax	442,358	428,150
Profit before tax at statutory rate of 9%	39,812	38,534
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Remeasurement of post-employment benefit obligations	(49)	155
Income which is exempt from taxation	(68)	(68)
Income tax expense	39,695	38,621

The effective tax rate as of 30 June 2025 is 9% (2024: 9%).

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Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2025 (continued)

27 Income tax expense (continued)

(c) *Deferred taxes analysed by type of temporary difference*

Differences between IFRS Accounting Standards and statutory taxation regulations in the United Arab Emirates give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases. The tax effect of the movements in these temporary differences was not material to the interim condensed consolidated financial statements.

Further, Nil (2024: AED 71 thousand) of deferred tax relates to changes in fair value of financial assets at fair value through other comprehensive income which has been recognised in other comprehensive income in interim condensed consolidated statement of comprehensive income.

28 Investment properties

	30 June 2025 AED'000 Unaudited	31 December 2024 AED'000 Audited
At 1 January	118,015	85,645
Additions	25,686	-
Transfers from property, plant and equipment (Note 6)	33,408	32,370
Depreciation during the period (Note 20)	(2,898)	-
At 30 June / 31 December	<u>174,211</u>	<u>118,015</u>

Additions and transfers mainly represent construction cost of the leased floors of the office building. Transfer from property, plant and equipment is a non-cash transaction.