



EMPOWER

ENERGY
SOLUTIONS

2023

INTEGRATED
ANNUAL REPORT

The World's Largest District Cooling Services Provider

Committed to Shareholder Value and Climate Action

EMPOWER, the world's largest district cooling services provider, is committed to contributing to sustainable urban development. This pledge balances environmental stewardship and economic prosperity, showcasing our leadership in the global district cooling industry. By pioneering innovative District Cooling solutions, we are redefining the standards for energy efficiency and eco-friendly practices, casting a positive influence on the vibrant cityscape of Dubai.

Our systems are vital to urban ecosystems, optimizing energy consumption and improving quality of life. With a strategic focus on integrating proven advanced technology and sustainable methodologies, EMPOWER ensures shareholder value creation, while upholding environmental integrity.

Looking ahead, EMPOWER is dedicated to being a catalyst for positive environmental change, aligning our business strategies with worldwide climate action goals. Our mission is to facilitate a cooler, greener planet, demonstrating that economic growth and environmental preservation can coexist successfully. We stand as a symbol of how business achievements can harmonize with climate action objectives, driving towards a sustainable and prosperous future for all.

Our vision champions a cooler, greener planet, recognizing the deep connection between shareholder value and environmental well-being.



About This Report

The Integrated Annual Report for Emirates Central Cooling Systems Corporation PJSC (EMPOWER) encompasses the fiscal period of 2023, unless specified otherwise. EMPOWER's Integrated Annual Report for FY2023 is designed to offer stakeholders a clear view of our commitment to enhancing customer experiences and contributing positively to our communities. In our second year of publishing the Integrated Annual Report, we continue to align with published guidelines for Integrated Reporting, demonstrating our commitment to continuity and enhanced transparency. Building on our sustained effort, we have further refined our disclosures to meet the core option of the Global Reporting Initiative Standards, integrating both general and specific topics relevant to EMPOWER, thereby elevating the depth and breadth of our reporting.



About Integrated Reporting Standards

The Integrated Report for Emirates Central Cooling Systems Corporation PJSC (EMPOWER), aligned with the original vision of the International Integrated Reporting Council (IIRC)'s requirements, represents a comprehensive account of the organisation's performance across multiple capitals – financial, manufactured, intellectual, human, social, and natural. This reporting framework, which has evolved through the merger of the IIRC with the Sustainability Accounting Standards Board (SASB) into the Value Reporting Foundation (VRF) and ultimately integrated into the IFRS Foundation, aims to provide a holistic view of the organisation's ability to create value over time. The provenance of this approach reflects a global shift towards more coherent and integrated corporate reporting standards. This transition underscores the importance of sustainability and the interconnections between an organisation's broader economic, environmental, and social impact and financial stability. By adhering to these principles, EMPOWER's Integrated Report attempts to adhere to high standards of transparency and accountability. It also positions the organisation at the forefront of sustainable development and corporate responsibility.



Adherence to Integrated Reporting Standards

Emirates Central Cooling Systems Corporation PJSC (EMPOWER) has diligently aligned its reporting with the Guiding Principles of the Integrated Reporting (IR) Framework 2021. This commitment ensures that the Integrated Report meticulously reflects EMPOWER's strategic vision, operational performance, and impact on value creation across all capitals over various timeframes. The principles guiding this alignment include:

- » Strategic Focus and Future Orientation: EMPOWER's report transparently outlines its strategic objectives, demonstrating their impact on value creation in the short, medium, and long term, alongside the influence on different capitals.
- » Connectivity of Information: Offering a holistic view, the report intricately details how different factors, activities, and the utilisation of capitals interlink to drive value creation over time.
- » Stakeholder Relationships: By emphasising the strength and quality of its stakeholder relationships, the report illustrates how EMPOWER understands, engages with, and addresses the needs and interests of its key stakeholders.
- » Materiality: EMPOWER prioritizes transparency by disclosing information on significant factors that impact its capacity for value creation, identifying these through their potential influence on its strategic goals and operational efficacy. This report employs specific terminology, including "material" issues, to denote matters of paramount significance to Emirates Central Cooling Systems Corporation PJSC (EMPOWER) and its stakeholders. Within this context, the terms are utilised distinctly and should not be conflated with their definitions or interpretations under securities

laws, nor as applied in financial statement contexts.

- » Conciseness: The report is crafted to be both concise and informative, ensuring clarity through logical structuring and straightforward language, complemented by navigational aids for an enhanced reader experience.
- » Reliability and Completeness: Focusing on providing a full and trustworthy account, the report includes comprehensive material information, presenting a complete picture of EMPOWER's performance and prospects.
- » Consistency and Comparability: The consistency of reported information over time and its comparability with industry peers underscore the report's credibility and utility for stakeholders.

EMPOWER's Integrated Report exemplifies the essence of the IR Framework's Guiding Principles. It captures the interconnectedness of factors affecting value creation, articulates the Company's strategic direction, and underscores the significance of stakeholder engagement. Through its detailed yet concise presentation, the report stands as a testament to EMPOWER's commitment to the highest reporting standards, embodying the principles and benchmarks the Integrated Reporting Framework sets forth.

This report is designed solely for informational purposes and does not represent an offer or sale of Emirates Central Cooling Systems Corporation PJSC (EMPOWER) securities. The information provided herein is accurate as of the publication date. EMPOWER does not assume responsibility for updating this report or notifying readers of any changes or inaccuracies that may arise post-publication. Beyond mandatory disclosures, this report voluntarily shares insights on critical ESG matters.

The FY2023 Integrated Report was developed internally without external validation for its non-financial disclosures. It presents insights, data, and assessments that represent our comprehensive understanding of our operational impacts and our strategy for value creation. The Company's financial disclosures are audited by our statutory auditors, as detailed in the financial statements within this report. EMPOWER takes full responsibility for the report's accuracy, completeness, and timeliness, acknowledging that it was produced without third-party verification.



Adherence to UAE Securities and Commodities Authority (SCA) requirements

In adherence to the UAE's evolving regulatory landscape for listed companies, Emirates Central Cooling Systems Corporation PJSC (EMPOWER) has made concerted efforts to align with the mandated ESG disclosure requirements set forth by the UAE Securities and Commodities Authority (SCA) and reinforced by the practices of the Dubai Financial Market (DFM). These efforts are part of a broader commitment to sustainability, transparency, and governance that the UAE has championed, particularly in light of the increasing emphasis on ESG metrics within business operations and reporting.

EMPOWER has striven to comply with these requirements to the best of its abilities, recognising the importance of such disclosures in illuminating the Company's impact on the environment, society, and governance structures. This commitment is evidenced by our endeavour to publish a sustainability report within the stipulated timeframe, detailing our company's strategic alignment with sustainability principles and our contributions towards the UAE's national agenda and the UN Sustainable Development Goals (SDGs).

While EMPOWER has made significant strides in this area, we acknowledge room for improvement. The landscape of ESG reporting is continuously evolving, and with it, our understanding and capabilities. We are committed to ongoing improvement, aiming to enhance our goals, disclosures, and practices over time. This dedication reflects our pledge to meet and exceed regulatory standards and our commitment to being at the forefront of sustainable development and corporate responsibility in the UAE and beyond.

As we move forward, EMPOWER will continue to engage with stakeholders, adhere to global best practices in sustainability reporting, and align with the UAE's vision for a sustainable future. Our efforts to refine our ESG disclosures and practices will remain integral to our strategy, ensuring we contribute positively to our community, the environment, and all our stakeholders.

Forward-Looking Statements

This report includes forward-looking statements concerning Emirates Central Cooling Systems Corporation PJSC (EMPOWER). We caution our readers that these statements should not be taken as guarantees of future performance, and actual outcomes may significantly vary. Forward-looking statements are not solely based on historical data but often include projections and estimates about future events and conditions, using terms like "may," "will," "expect," "anticipate," and similar expressions to indicate future prospects. These statements inherently carry risks and uncertainties, as they depend on future events that may or may not happen.

Such uncertainties may stem from legislative changes, evolving ESG reporting practices, the global response to climate change, and broader environmental, social, and geopolitical challenges. These factors, many of which lie outside of EMPOWER's control, could materially influence the Company's financial health and operational success. The forward-looking statements in this report reflect the current views and expectations of EMPOWER's management. Still, they are subject to risks and uncertainties that could cause results to differ.

It is also important to note that these projections and statements are relevant only as of their issuance date. EMPOWER is not obligated to update any forward-looking statement in light of new information or future developments. This stance on non-revision aligns with our adherence to prevailing laws and regulations and our commitment to transparency and accountability in our ongoing communications with stakeholders.



How to read this report

Overview:

This Integrated Annual Report is designed to provide stakeholders with a comprehensive overview of EMPOWER's performance, strategic direction, and commitment to sustainability. To maximize the value you derive from this report, we have employed a structured approach that includes a variety of visual aids and cross-referencing tools. These elements are intended to facilitate understanding and navigation through the report's contents. Here is how to make the best use of this report:

- Icons and Visual Aids:** Throughout the report, we have incorporated icons and other visual aids to signify major themes, strategic pillars, and elements of our business model. These icons serve as quick references to help you connect related content across different sections.
- Material Issue Numbers:** Associated with our materiality survey findings, these numbers allow you to identify and link the report's content with specific issues deemed most material to our stakeholders and our business.
- Strategic Pillars:** Represented by unique icons, these pillars highlight the core areas of our strategy. Look for these icons to understand how different sections of the report contribute to our overarching strategic objectives.
- Business Model Elements:** Numbered elements throughout the report correspond to different components of our business model. This numerical guide helps you trace how various operations and strategies contribute to our value creation process.
- United Nations Sustainable Development Goals (UNSDGs):** Icons representing the UNSDGs are used to indicate how our initiatives align with global sustainability goals. These references provide insight into our contribution to broader global challenges.
- Global Reporting Initiative (GRI) References:** GRI indicators are cited to demonstrate our adherence to global standards for sustainability reporting. These references allow for transparency and comparability of our sustainability performance.

Guide to the Indexes:

Material Issue Numbers: Refer to specific materiality issues identified through stakeholder engagement and analysis. See *Page 44* for more details.

Strategic Pillar Icons: Visual symbols representing our strategic focus areas, such as sustainability, innovation, and community engagement. See *Page 32* for more details.

Business Model Elements (Numbered): Key components of our business model, including partnerships, resources, customer segments, and revenue streams. See *Page 36* for more details.

UNSDGs: Icons that link our actions and impacts to specific Sustainable Development Goals.

GRI References: Indicators used to provide standardized reporting on our environmental, social, and governance performance. See GRI Index on *Page 220* for more details.

Each of these elements has dedicated chapters in the report where they are discussed in detail. By using the icons, numbers, and references as guides, you can navigate the report to focus on areas of particular interest or relevance to your concerns.

Navigating the Report:

Start with the executive summary to gain an overview of the year's highlights and key achievements. Then, use the table of contents to find chapters of interest. Within each chapter, look for the visual aids and cross-references mentioned above to deepen your understanding of how each part of the report contributes to our overall strategy and performance.

By following these guidelines, you will be able to navigate through the report efficiently, gaining a full understanding of EMPOWER's strategic vision, operational excellence, and commitment to sustainability.

Strategic Pillars

#	Icon	Strategic Pillar <i>(Read Chapter on Strategic Objectives & Pillars – Page 32)</i>
1		Eco-Innovation and Green Leadership
2		Cutting-Edge Technological Pioneering
3		Operational Superiority and Scalability
4		Global Market Leadership and Collaborative Synergy
5		Excellence in Governance and Ethical Integrity
6		Community Empowerment and Social Responsibility

Business Model Elements

#	Icon	Business Model Element <i>(Read Chapter on Value Through Sustainable Cooling – Page 36)</i>
1		Key Partnerships: Collaborations with developers, strategic acquisitions.
2		Key Activities: Service agreements, geographic expansion, system modernization.
3		Key Resources: Insulated piping, cooling plants, skilled workforce, technological infrastructure.
4		Value Propositions: Sustainable, energy-efficient cooling solutions.
5		Customer Relationships: Long-term agreements, high-quality service standards.

#	Icon	Business Model Element <i>(Read Chapter on Value Through Sustainable Cooling – Page 36)</i>
6		Channels: Network of cooling plants, digital platforms.
7		Customer Segments: Master developers, building owners, end-users.
8		Cost Structure: Modular asset strategy, operational and maintenance costs.
9		Revenue Streams: Service agreements, consumption charges, connection fees.

Material Issues Surveyed

#	Domain: Material Issue Name <i>(Read Chapter on Shareholder Engagement & Materiality– Page 44)</i>
1	Environment: Climate Change Mitigation and Adaptation
2	Environment: Reducing Carbon Emissions
3	Environment: Climate Change Mitigation and Adaptation
4	Environment: Energy Management and Renewable Energy Usage
5	Environment: Water Management
6	Social Capital: Human Rights
7	Social Capital: Community Engagement Programs
8	Social Capital: Customer Welfare
9	Social Capital: Social Development and Community Involvement
10	Human Capital: Employee Skill Development and Well-being
11	Human Capital: Employee Health and Safety
12	Human Capital: Employee Engagement, Diversity, and Inclusion
13	Business Model & Innovation: Access to Capital
14	Business Model & Innovation: Supply Chain Management
15	Business Model & Innovation: Adapting to New Technologies
16	Business Model & Innovation: Long-Term Management of Assets
17	Leadership & Governance: Business Ethics, Integrity, Transparency, and Anti-Bribery and Corruption Practices
18	Leadership & Governance: Renewable Energy Generation
19	Leadership & Governance: Competitive Behaviour
20	Leadership & Governance: Risk Management
21	Leadership & Governance: Ethical Practices and Transparent Governance
22	Leadership & Governance: Responsible Investment
23	Leadership & Governance: Reputation Communications and Awareness
24	Economy: Economic/Financial Crises
25	Economy: Contribution to the Economic Development
26	Economy: Capital Values

Related UNSDGs

UNSDG #	Icons	Sustainable Development Goal
UNSDG 2		Zero Hunger
UNSDG 3		Good Health and Well-being
UNSDG 4		Quality Education
UNSDG 5		Gender Equality
UNSDG 6		Clean Water and Sanitation
UNSDG 7		Affordable and Clean Energy
UNSDG 8		Decent Work and Economic Growth
UNSDG 9		Industry, Innovation, and Infrastructure
UNSDG 10		Reduced Inequalities
UNSDG 11		Sustainable Cities and Communities
UNSDG 12		Responsible Consumption and Production
UNSDG 13		Climate Action
UNSDG 15		Life on Land
UNSDG 17		Partnerships for the Goals

Pertinent GRI References

In our commitment to transparency and global best practices, this report extensively incorporates references to the Global Reporting Initiative (GRI) standards. This deliberate approach not only aligns with international sustainability reporting guidelines but also ensures that our disclosures are tailored to the unique context of the District Cooling industry. By focusing our GRI Index on the most relevant indicators, we aim to provide our stakeholders with a clear and comprehensive understanding of our performance and impact. This focused approach enables us to highlight our industry-specific contributions and challenges, ensuring that our reporting is both meaningful and insightful for all our stakeholders and for those within the District Cooling sector.



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Our Integrated Annual Report for FY2023 can also be accessed digitally on our website.



to know more about Empower, please scan the QR Code above or visit.

<https://www.empower.ae>

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Empower At a Glance



Mission

To promote sustainable and optimised use of energy resources by delivering reliable, cost-effective, and environmentally friendly world-class district cooling services to achieve customer satisfaction, thereby creating long-term shareholder value.



Vision

To be the world's leading district cooling services provider.

About Empower

We have set out on a mission to redefine the essence of district cooling in Dubai and beyond, with a vision to introduce world-class District Cooling Services. Within just a decade since our inception, we did not just grow; we have emerged to become the world's leading provider of district cooling services by capacity, establishing ourselves as the front runner in Dubai's district cooling market.

At our core, we own and operate an extensive portfolio of world-class district cooling systems in Dubai. Our operational strategy is crafted around the transformation of traditional cooling processes into innovative, energy-efficient solutions that align with the UAE's ambitious carbon neutrality goals.

As we narrate our journey through this Annual Report, it is not merely about the milestones we have achieved, but the path we have charted for the future. Guided by innovation, sustainability, and a deep-seated commitment to our community, we continue to pave the way for a cooler, greener, and more sustainable urban environment. Together, we stand at the vanguard of the industry, committed to delivering excellence and value to our stakeholders and contributing to the fabric of society.



Key Features & KPIs for 2023:

In 2023, EMPOWER continued to lead the district cooling industry with a solid commitment to sustainability and operational excellence. This snapshot of EMPOWER's 2023 achievements highlights our dedication to growth, sustainability, and operational excellence. Our commitment to leveraging both financial and natural capitals ensures we remain at the forefront of the industry, poised for future success.

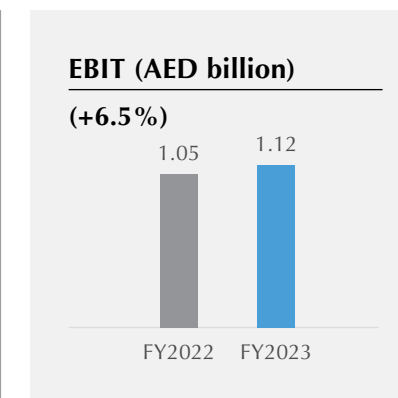
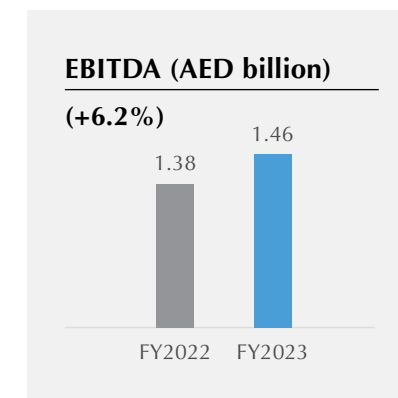
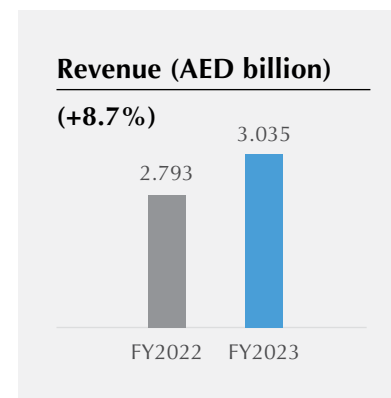
Capital	KPI (FY2023)		
Financial Capital (See Chapter on Financial Capital on page 54; Management Discussion & Analysis on Page 124)	Revenue	3.035 AED Billion	The +8.7% growth showcases EMPOWER's effective strategy for expanding and penetrating the market.
	EBITDA	1.46 AED Billion	EMPOWER's EBITDA growth to AED 1.46 billion highlights operational efficiency and successful cost management, enhancing core revenue.
	Dividend Payment	850 AED Million	EMPOWER's dividend policy reflects its commitment to shareholder returns, stability, and growth, with AED 850 million paid in FY2023 showcasing financial health and operational efficiency.
	Net Debt-to-Equity Ratio	1.19	EMPOWER's Net Debt-to-Equity Ratio of 1.19 in FY2023 showcases effective financial management, ensuring long-term sustainability.
	Market Capitalisation (by the end of FY2023)	16.6 AED Billion	The 17% YOY growth in market capitalisation to AED 16.6 billion highlights market confidence in EMPOWER's strategic and operational achievements.
Operational Highlights (See Chapter on Manufactured Capital on page 60)	Connected Capacity	1,512 k RT	The +7.6% growth in EMPOWER's operational capabilities signifies its successful expansion and ability to meet rising market demand by efficiently scaling infrastructure.
	Contracted Capacity	1,663 k RT	The +8.7% increase highlights EMPOWER's growing market presence, reflecting customer trust and confidence in its services and signalling robust future revenue potential and sustained growth.
	Customers Served in FY2023	>132 k	We serviced over 132,000 customers, showcasing extensive reach in the district cooling market.
	Buildings Served	1,527 Buildings	The 4.37% growth to 1,527 buildings served by EMPOWER underscores its dedication to expanding district cooling services and fostering sustainable urban development in Dubai.
	Network Expansion	398 km	The +4.7% expansion of EMPOWER's network to 398 km enhances service delivery, supporting its infrastructure development strategy.
Social Capital (See Chapter on Relationship & Social Capital on page 86)	Customer Happiness Rate	97.1 %	Demonstrates high levels of satisfaction, surpassing the threshold set at 85%.
	CSR Initiatives	1,085 k AED	Highlights contributions to environmental advocacy, cultural heritage, and health support initiatives.
	Diversity & Inclusion	33 %	Emiratis in our head office employees.
	Environmental Education	400+ participants	Educated students on sustainability and the significance of COP28, reinforcing community engagement.
Natural Capital (See Chapter on Natural Capital on page 96)	Water Savings	Significantly reduced freshwater use through advanced management.	
	Energy Efficiency	Substantial energy savings via cutting-edge technologies.	
	Waste Management	Underscores commitment to sustainability with effective recycling.	

Financial & Operational Highlights:

Shaping the Future with Operational Excellence and Climate Leadership



Looking at our financial and operational achievements, EMPOWER demonstrates a year marked by solid performance, strategic milestones, and a commitment to sustainability and value creation for all our stakeholders. Amid the complexities of the global market, our focus has remained on operational excellence and financial resilience, underpinning our growth and enhancing shareholder returns. Our initiatives in sustainable development not only affirm our leadership in the district cooling industry, but also our role in promoting climate sustainability. We are pleased to highlight how our dedication and innovative approaches craft a sustainable future and deliver exceptional value, reinforcing our shared vision for a greener, more efficient world.



Financial and Key Ratio Highlights

KPI Category	KPI	FY2022	FY2023	Change (%)	What does this mean?
Operational Efficiency	EBITDA (AED billion) (Earnings before Interest, Taxes, Depreciation and Amortisation)	1.38	1.46	+6.2%	The growth of EMPOWER's EBITDA to AED 1.46 billion, coupled with a 6.5% year-over-year increase in EBIT, underscores the Company's enhanced operational efficiency and adept cost management. These metrics collectively illustrate EMPOWER's success in bolstering its operating profits through improved operational practices and effective expense management. The increase in both EBITDA and EBIT highlights the Company's capability to generate more revenue from its core business activities while maintaining stringent control over operational costs.
	EBIT (AED billion) (Earnings Before Interest and Taxes)	1.05	1.12	+6.5%	
Capacity	Connected Capacity (k RT)	1,405	1,512	+7.6%	An increase of +7.6% signifies a notable expansion in EMPOWER's operational capabilities. This growth indicates the Company's success in extending its district cooling services to more customers, reflecting a positive trend in market demand and EMPOWER's ability to scale its infrastructure efficiently to meet this demand.
	Contracted Capacity (k RT)	1,530	1,663	+8.7%	



KPI Category	KPI	FY2022	FY2023	Change (%)	What does this mean?
Revenue and Profitability	Revenue (AED billion)	2.793	3.035	+8.7%	This growth emphasises EMPOWER's strategic expansions and market penetration, highlighting the rising demand for sustainable district cooling solutions. It reflects EMPOWER's alignment with consumer needs and its operational success. Additionally, it underscores the Company's leadership in advancing eco-friendly cooling technologies to a broadening customer base.
Asset and Infrastructure Development	Buildings Served	1,463	1,527	4.4%	The growth to 1,527 buildings served reflects EMPOWER's commitment to extending its district cooling services and supporting sustainable urban development across Dubai.
	Network (km)	380	398	+4.7%	The network's expansion to over 398 km facilitates superior service delivery, underpinning EMPOWER's infrastructure development strategy.
Dividend	Dividend Payment (AED million)	3,400	850		EMPOWER adopts a responsible dividend distribution policy, underscoring its commitment to delivering consistent and rewarding returns to its shareholders. By adhering to this policy, EMPOWER aligns with its pledge to maintain financial stability and support its growth objectives, while reinforcing its position as a dependable entity on the Dubai Financial Market. The policy reflects the Company's long-term strategy to enhance shareholder value and demonstrates its financial health and operational efficiency. AED 3,400 million paid in FY2022 Includes final dividend of AED 500 million for 2021 and one-time special Pre- IPO dividend of AED 2,900 million. AED 850 million paid in FY2023 consists of AED 425 million final dividend for FY2022 paid In April 2023 and AED 425 million Interim dividend for the year 2023 paid in October 2023. The distribution marks the fulfilment of Empower's commitment to pay dividends to its shareholders twice a year, with a cumulative value of AED 850 million per annum during the first two fiscal years following its listing on the Dubai Financial Market. After the committed dividend distributions for the first two fiscal years following the IPO, the Company expects to pay a sustainable dividend in line with the growth of the business.
Financial Health	Gross Debt-to-Equity Ratio	1.48	1.36		The improved Gross Debt-to-Equity Ratio of 1.36 highlights EMPOWER's strategic capital structure optimisation, enhancing its financial health.



Inaugurating the DLRC Plant

KPI Category	KPI	FY2022	FY2023	Change (%)	What does this mean?
	Net Debt-to-Equity Ratio	0.99	1.19		The Net Debt-to-Equity Ratio of 1.19 for FY2023 reflects EMPOWER's continued prudent financial management strategies, ensuring long-term sustainability.
	Interest Coverage Ratio	11.60	4.23		An Interest Coverage Ratio of 4.23 signals EMPOWER's financial stability and robust capability to meet interest obligations.
Profitability Metrics	Earnings Per Share (EPS) (AED)	0.100	0.095		The modest EPS dip reflects EMPOWER's pre-IPO's strategic borrowings to optimize capital for long-term growth and market resilience. This reflects a strategic focus on long-term investments and growth, ensuring resilience in market positioning.
Return on Investment	Return on Capital Employed (ROCE) (%)	17.42%	15.47%		EMPOWER's ROCE of 15.47% underscores EMPOWER's efficient use of capital in generating profitable returns, evidencing its financial acumen.
Market Capitalisation	Market Capitalisation (AED billion)	14.2	16.6	+17% (YOY)	The 17% YOY increase in market capitalisation to AED 16.6 billion is a testament to the market's confidence in EMPOWER's strategic direction and operational success.

Operational Highlights



Signing our pact with Dubai Aviation City Corporation

Discover the key operational highlights for FY2023: An overview of our projects and achievements.		References
Strategic Expansion in Jumeirah	EMPOWER's strategic expansion in Jumeirah Beach Hills with a new plant boasting a 48,000 Refrigeration Tons (RT) capacity exemplifies a significant investment in sustainable urban development. This expansion not only enhances the district cooling capacity in Dubai's prestigious global residential and tourist destination but also supports its energy efficiency and urban sustainability initiatives.	Read the Chapter on Manufactured Capital on Page 60
Za'abeel Plant LEED Gold Certification	Achieving LEED Gold certification for the Za'abeel plant underscores EMPOWER's dedication to supporting Dubai's green building goals. The plant's design and operation feature advanced technologies such as Thermal Energy Storage (TES), setting a benchmark in the industry for eco-friendly practices and operational excellence.	
Partnerships for District Cooling Services	The strategic agreements with Dubai Maritime City and Sobha Realty to supply district cooling services mark a significant milestone in EMPOWER's growth and service expansion. These partnerships enable the provision of sustainable cooling solutions to new developments, aligning with Dubai's vision for sustainable living and contributing to the reduction of the carbon footprint associated with traditional cooling methods.	
Service to Dubai International Airport Commences	In 2023, Empower, showcasing its capacity equivalent to 11 times the Burj Khalifa's consumption, became Dubai International Airport's exclusive cooling provider.	
New District Cooling Plant in Dubailand	Commissioning a new district cooling plant in Dubailand, with a 47,000 RT capacity, signifies EMPOWER's commitment to infrastructure sustainability and environmental stewardship. This facility is designed to service over 250 mixed-use buildings, offering energy-efficient cooling solutions that support Dubai's urban development plans and sustainability goals.	
Extension of Reverse Osmosis Technology	Extending Reverse Osmosis (RO) technology to EMPOWER's district cooling plants to enhance freshwater conservation and sustainability represents a strategic initiative to optimise natural resource utilisation. By implementing RO systems, EMPOWER ensures the efficient use of water resources and contributes to the sustainability of the communities it serves.	Read the Chapter on Natural Capital on Page 96
Global Leadership and Recognition	EMPOWER's global leadership and recognition are exemplified by its international exposure and achievements. With prestigious awards like the CEO Middle East Award 2023 for the Energy sector awarded to CEO Ahmad bin Shafar, and honours such as the IDEA SPACE Awards and Golden Bridge Awards, EMPOWER's pioneering role in the industry is internationally acclaimed. These accolades highlight EMPOWER's innovative contributions to district cooling, driving sustainable urban development worldwide.	Read the Chapter on Intellectual Capital on Page 112

Discover the key operational highlights for FY2023: An overview of our projects and achievements.		References
Strategic Partnerships and Collaborations	Research Partnerships and Collaborations with Industry Leaders: Collaborating with industry organizations and global entities like the United Nations Environment Programme (UNEP), International District Energy Association (IDEA), and the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE). These partnerships enhance EMPOWER's intellectual capital through innovation and knowledge exchange, reinforcing its leadership in sustainable energy solutions. Hosting Influential Summits: Leading discussions on the transformative potential of district cooling technologies at momentous events, including the District Cooling Summit 2023 at COP28. These forums foster dialogue on sustainable urban development and climate action, positioning EMPOWER as a thought leader in the sector. Contributions to Global Standards: Working closely with ASHRAE to develop the District Cooling Standard for energy-efficient and environmentally friendly buildings compatible with district cooling systems.	
Sustainability Initiatives	EMPOWER's alignment with the United Nations Sustainable Development Goals (UNSDGs) showcased its dedication to sustainability, focusing on water conservation, carbon emission reductions, and energy efficiency.	
Technological Advancements	EMPOWER's commitment to leading industry innovation is highlighted by its adoption of cutting-edge technologies, such as artificial intelligence (AI), for predictive maintenance. This strategic embrace of advanced tech demonstrates EMPOWER's ambition to pioneer within the industry and drive sustainable urban development on a global scale.	
Enhancing Customer Collaboration	In 2023, EMPOWER convened pivotal meetings with its key customers and consultants, emphasising transparency and collaborative innovation. This initiative led to the implementation several customer-centric solutions, enhancing service delivery and operational transparency.	Read the Chapter on Relationship & Social Capital on Page 86
Participation in WETEX 2023	As a strategic sponsor of WETEX 2023, EMPOWER showcased sustainable district cooling solutions, reinforcing its commitment to environmental stewardship and stakeholder trust. This event facilitated the exchange of industry insights and fostered partnerships aimed at sustainability.	
Comprehensive CSR Initiatives	EMPOWER's dedication to CSR ranged from financial aid and health support to environmental advocacy, significantly enriching the social fabric of the communities it serves. These initiatives impacted over 10,000 individuals directly and contributed to numerous environmental sustainability projects.	
Building Brand Affinity	Through a comprehensive marketing strategy, EMPOWER aimed to maintain its leadership position, focusing on reliable, environmentally friendly cooling services and enhancing customer satisfaction. The strategy included digital campaigns, community engagement programs, and customer service excellence initiatives, leading to high customer satisfaction scores.	
Multicultural Workforce	EMPOWER's workforce, spanning 27 nations, embodies global diversity, driving innovation and satisfaction. This multicultural environment, rooted in valuing skills and diversity, fosters a dynamic workspace where varied cultures and perspectives spark creativity.	Read the Chapter on Human Capital on Page 76
High Retention and Low Turnover	We achieved a turnover rate of 6.9%, below the industry average of 8%, thanks to comprehensive performance reviews and targeted professional development programs.	
Gender and Ethnic Diversity	In our managerial staff, gender diversity is represented by 86% male and 14% female in 2023.	
Hiring Local Nationals	UAE nationals represents 33% of the total head office employees in 2023, reflecting our commitment to local talent development through educational sponsorships and career fairs.	
Extensive Employee Training	Over the past year, EMPOWER's training programs engaged 329 employees, covering more than 350 hours across various skills and leadership development sessions. These efforts showcase EMPOWER's readiness to meet the dynamic challenges of the district cooling industry.	
Comprehensive HSE Strategy	Implemented 1,462 training sessions and conducted rigorous HSE protocols with 2,239 site inspections, resulting in optimal safety compliance scores.	
Annual Recognition Gala	EMPOWER's annual gala dinner celebrated the dedication and milestones of approximately 1,000 employees. It highlighted EMPOWER's commitment to a positive workplace and the critical role of teamwork and employee achievements in realising its vision.	



Iconic & Landmark Projects

Iconic Projects Served



AIN DUBAI, BLUEWATERS -
World's tallest observation wheel



ATLANTIS THE ROYAL -
The most ultra-luxury resort in the world



BURJ AL ARAB -
World's most luxurious hotel



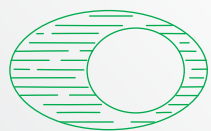
DUBAI INTERNATIONAL AIRPORT -
Dubai's global aviation hub to the world



DUBAI INTERNATIONAL FINANCIAL CENTER -
Dubai's financial district



EMIRATES TOWERS -
Dubai's masterpiece towers

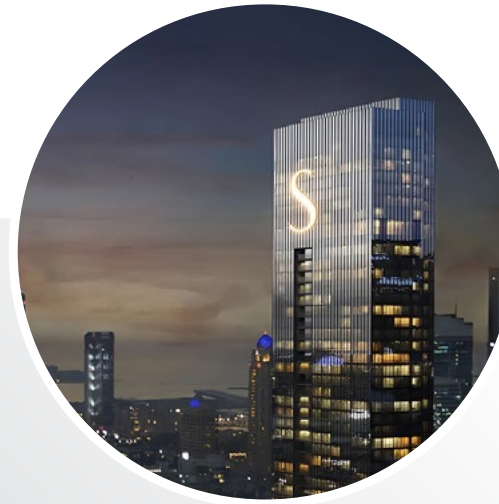


MUSEUM OF THE FUTURE -
The most beautiful building on earth



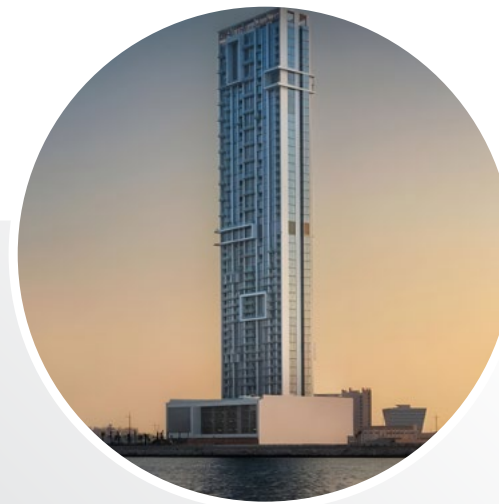
PALM JUMEIRAH -
World's largest manmade island

Landmark Projects Connected



1. Sobha S Tower

In a significant stride towards expanding our urban footprint, FY2023 saw the integration of Sobha S Tower into our district cooling network. Nestled in the prestigious Al Sufouh Second, Dubai, this Sobha Realty venture is a beacon of modern living. The 58-storey tower, housing 84 luxurious residential units, epitomizes architectural brilliance and offers its inhabitants exceptional facilities and amenities, setting a new standard for urban lifestyle. Empower proudly delivers 1,900 Refrigeration Tons (RT) of district cooling from our strategically located plant in Dubai TECOM Site A, ensuring unparalleled comfort and sustainability for the residents of S Tower.



2. Anwa Tower

The year 2023 also marked the integration of the Anwa Tower, a masterpiece developed by Omniyat, into Empower's district cooling realm. As the inaugural and most imposing structure in Dubai Maritime City, the Anwa Tower stands tall with 44 floors, encompassing 225 residences across a Gross Floor Area of 339,990 Sqf. Positioned in a vantage point, the tower boasts uninterrupted views of the Arabian Gulf, offering a unique blend of luxury and scenic beauty. Empower provides Anwa Tower with 1,260 RT of district cooling, underscoring our commitment to enhancing the quality of life through sustainable cooling solutions while contributing to Dubai's architectural and environmental landmarks.



STRATEGY

Empower's strategic framework harnesses six pillars to redefine global cooling solutions, emphasising eco-innovation, technological advancement, and operational excellence for sustainable urban development.

Chairman's Message for FY2023

Dear Shareholders, Partners, and Employees

As we turn the page on another year at EMPOWER, I would like to express my profound sense of pride and gratitude. Financial year 2023 was a year where, against the backdrop of a rapidly evolving landscape, EMPOWER has delivered solid growth and sowed the seeds for sustained progress, in line with the vision and directives of the UAE wise leadership. Our journey has been marked by resilience, innovation, and a commitment to sustainable development.

Navigating Economic Dynamics: The Growth of District Cooling

The district cooling sector is poised for remarkable expansion, with projections indicating growth from \$28.19 billion in 2023 to \$44.46 billion by 2030, marking a compound annual growth rate (CAGR) of 6.72%. This anticipated surge reflects a global demand for sustainable solutions, steering a significant shift towards environmentally-friendly cooling technologies. Such a shift not only heralds EMPOWER's strategic foresight but also underscores our pivotal role within this dynamic industry.

The increasing global focus on achieving a balance between sustainable development, environment preservation, and climate change mitigation highlights the critical nature of strategic adaptation, where sustainability intersects with innovation. EMPOWER's comprehensive market analysis reveals that this growth is not merely numerical but represents a fundamental change in the market's approach to cooling solutions. Moving away from



H.E. SAEED MOHAMMED AL TAYER
Chairman

This evolving economic landscape, where sustainability intersects with innovation, highlights the critical nature of strategic adaptation. EMPOWER's comprehensive market analysis reveals that this growth is not merely numerical but represents a fundamental change in the market's approach to cooling solutions.

traditional air conditioning systems, there is a collective drive across various sectors towards adopting more sustainable and efficient cooling technologies. This transition is aligned with global sustainability goals, as well as the profound shift in both consumer and corporate behaviour towards environmental stewardship.

The increasing demand for district cooling in the region, is a direct response to the global challenges posed by climate change. EMPOWER's strategic initiatives in Dubai are not just about meeting demand but about leading the change towards a more sustainable

future, emphasizing our commitment to innovation, operational excellence, and environmental responsibility.

Strategic Adaptation and Market Leadership

In 2023, EMPOWER embarked on a pivotal phase of our transformative journey, significantly enhancing our operational capabilities and broadening our market reach. This strategic evolution, in harmony with Dubai's vision for a sustainable future, led to an increase in our connected capacity to 1,512k Refrigeration Ton (RT), demonstrating



Our steadfast commitment to sustainable development and relentless innovation has sharply defined our strategic positioning in the dynamic marketplace. The year 2023 marked a period of substantial growth for EMPOWER, with operational capabilities enhancement and market reach expansion being at the forefront.

a 7.6% growth compared to the previous year. Additionally, we expanded our deployment of District Cooling Services across pivotal developments reaching 1,527 buildings in total, a testament to our diligent efforts towards driving the district cooling industry towards a more sustainable and efficient future.

Our steadfast commitment to sustainable development and relentless innovation has sharply defined our strategic positioning in the dynamic marketplace. The year 2023 marked a period of substantial growth for EMPOWER, with operational capabilities enhancement and customer base expansion being at the forefront. Our alignment with the UAE's sustainability goals and active participation in global climate initiatives have been pivotal. With these initiatives, we've solidified our commitment to sustainability and environmental stewardship.

Creating Value and Rewarding Shareholders

Following our transition to a publicly listed company, our focus on creating and distributing value to our shareholders has been at the forefront of our strategic agenda. The fiscal year 2023 marked a significant milestone in EMPOWER's history, with the Group achieving its highest-ever revenue of AED 3.035 billion and a net profit of AED 960 million. This remarkable financial performance enabled us to propose a final dividend of AED 425 million for 2023, to be paid by April 2024 (subject to shareholders approval in the forthcoming AGM), which

comes as a clear testament to our dedication to paying dividends to our shareholders.

Enabling Society and Championing Climate Action

Reflecting on EMPOWER's strategic alignment with ESG, it's clear that our approach champions creating shared value, emphasizing the positive relationship between corporate performance and societal impact. Our initiatives in the district cooling sector drive meaningful change in community engagement and environmental stewardship. 2023 was also pivotal in demonstrating our commitment to operational excellence. For detailed insights into our comprehensive strategy and impact, the chapters Natural Capital and Relationships & Social Capital within this report offer deeper insights.

Embracing Transparency: A New Chapter in Reporting

Financial year 2023 continues our commitment to transparency through the release of our latest Integrated Annual Report. This ongoing initiative underscores our dedication to providing a holistic view of our operations by integrating financial, social, environmental, and governance dimensions. This approach aims to strengthen our relationship with you, our esteemed stakeholders. We highly value your suggestions and feedback, which are

instrumental to the Board's decision-making process.

Gratitude and Acknowledgments

I extend my most profound appreciation to all our shareholders, Board members, partners, clients, vendors, and employees for your profound confidence, dedication, and collaboration, which have been the cornerstone of this astounding success. As we look forward, I am confident that we will continue to set new benchmarks for excellence, innovation, and sustainability in the district cooling industry. Special thanks to EMPOWER's CEO, Ahmad Bin Shafar, for his successful management, which has been instrumental in guiding EMPOWER to achieve these remarkable results, as well as enriching our track record with several globally-leading accolades.

Thank you,

H.E. SAEED MOHAMMED AL TAYER
Chairman
Emirates Central Cooling Systems Corporation PJSC (EMPOWER)

CEO's Message for FY2023

Dear Stakeholders:

At the nucleus of EMPOWER's success in the district cooling industry lies our well-crafted business model, a blueprint that guides us towards excellence and sustainability. Our strategic collaborations with key developers, ceaseless pursuit of technological advancements, and unwavering dedication to operational excellence, serve as the pillars upon which EMPOWER stands, ensuring the steadfastness and quality of our services and our active contribution to environmental stewardship. We have strengthened our stance as the frontrunner in the energy-efficient district cooling solutions by cultivating pivotal partnerships, proactive engagement in growth endeavours, and nurturing our human and intellectual capital. Central to our ethos is the delivery of world-class cooling services meticulously aligned with the imperatives of global sustainability objectives. This unwavering commitment positions our company as a trailblazer, dedicated to enhancing urban living environments while significantly reducing carbon footprints.

A Year of Success and Strategic Progress

In FY2023, EMPOWER attained noteworthy financial milestones, a testament to our astute investments and operational dexterity. Our revenue surged to an unprecedented AED 3.035 billion, marking an 8.7% growth, with a robust net profit of AED 960 million. These achievements are boosted by a commendable annual EBITDA increase of 6.2% to AED 1.46 billion. Our prowess in managing operational costs and leveraging assets to fuel our growth trajectory this fiscal year was evident as we surpassed revenue targets.



Our strategic collaborations with key developers, ceaseless pursuit of technological advancements, and unwavering dedication to operational excellence, serve as the pillars upon which EMPOWER stands, ensuring the steadfastness and quality of our services and our active contribution to environmental stewardship.



H.E. AHMAD BIN SHAFAR
Chief Executive Officer

Our Balance Sheet strength for FY2023 is exemplified by our successful management of assets and liabilities, ensuring sustainable growth and shareholder value. Our total assets grew by 1%, reflecting our continued expansion and investment in sustainable infrastructure. Shareholders' equity saw an uplift of 9%, a testament to our enhanced value creation for shareholders. We also improved our debt management, as indicated by a 2% improvement in our debt-to-equity ratio, further strengthening our financial stability.

As we chart our course, our commitment to leading the transition towards sustainable cooling solutions remains resolute. Our focus on enhancing shareholder value through sustainable dividend policies and market valuation remains entrenched. Armed with our financial robustness and strategic initiatives, we are poised to capitalize on emerging opportunities, propelling us towards a cooler, greener, and more sustainable future.

Pioneering Sustainable District Cooling Expansion

FY2023 witnessed EMPOWER's commendable operational achievements, underscoring our leadership in the district cooling sector and dedication to sustainability. Our expansion endeavours, reflected in the augmentation of our service to 1,527 buildings and the extension of our district cooling pipeline network to 398 kilometres, exemplify our commitment to operational excellence and sustainability. Our strategic upgrades and expansions solidified our operational excellence and innovation in sustainable cooling solutions, serving crucial residential, commercial, hospitality, and healthcare sectors.

In 2023, Empower entered into significant Master Development Agreements with key real estate developers in Dubai. A notable agreement was with Dubai Maritime City (DMC), to provide district cooling services with a

total capacity exceeding 63,000 refrigeration tons (RT) across 43 buildings. Additionally, Empower partnered with Sobha Properties to supply environmentally friendly district cooling services to the Sobha Hartland project, covering 17,000 RT for eight buildings.

Empower commenced serving Dubai International Airport, one of the busiest airports in the world. Operating with a total capacity of 110,000 RT with a value of AED 1.1 billion, five district cooling plants and the related assets were linked to Empower's operational, production, distribution, and administrative systems. Furthermore, the company has made significant expansions in the Business Bay area, which is home to the world's largest urban district cooling system. This system will ultimately reach a capacity of 450,000 refrigeration tons (RT) delivered through six plants and ten thermal energy storage tanks, including both existing and upcoming facilities.

These developments underscore Empower's commitment to providing sustainable cooling solutions and strengthening its presence in key urban developments in Dubai.

Empower significantly expanded its district cooling infrastructure in other key areas of Dubai throughout 2023. This included the commencement of operations at a new district cooling plant in the Dubai Land Residence Complex, providing cooling services to residents in this prestigious residential destination. Additionally, Empower initiated a project to upgrade its Jumeirah Beach Residence (JBR) plant with modern technologies, catering to a large number of towers, residences, and hotel units. Furthermore, the company awarded contracts for the construction of a next-generation district cooling plant and the expansion of the pipeline network in the Jumeirah Beach Hills area, serving renowned residential and tourist destinations such as Burj Al Arab and Jumeirah Beach Hotel.

+8.7%

YoY Revenue Growth in our total revenue

AED 960 million

Our Net Profit, showcasing financial health and operational efficiency

+6.2%

YoY EBITDA Growth reflecting EMPOWER's strong operational performance



In FY2023, EMPOWER attained noteworthy financial milestones, with revenue surging to an unprecedented AED 3.035 billion, marking an 8.7% growth, and net profits remaining robust at AED 960 million.



Sustainability and Technological Leadership

Throughout FY2023, EMPOWER advanced its operational and sustainability agenda, solidifying its industry leadership through strategic projects and international ventures. Participation in global climate initiatives and strategic asset maintenance underscored the unwavering commitment to environmental stewardship. Milestones in sustainability, including the commencement of reverse osmosis plants and LEED Gold certification of the Za'abeel district cooling plant, reaffirmed dedication to promoting green building practices. Simultaneously, focus on technological advancement and infrastructure expansion enhanced efficiency and service delivery, reinforcing capacity to support Dubai's rapid development while advancing sustainability goals. An initiative to construct reverse osmosis plants in some of the district cooling plants aimed to reduce freshwater consumption, aligning with Dubai's Demand Side Management Strategies. These strategic investments and modernization efforts echoed EMPOWER's commitment to enhancing operational excellence and meeting escalating service demand in Dubai.

Human Capital: Our Greatest Asset

At EMPOWER, our commitment to human resources is integral to our success in the district cooling sector. We prioritize diversity, safety, and professional growth to cultivate a vibrant and inclusive workplace. With a workforce representing 27 nations and an 93.1% retention rate in 2023, our efforts to foster a multicultural environment and sustain employee satisfaction are evident. Through initiatives such as gender equality programs and Emiratization strategies, we aim to enhance representation and career opportunities for all. Furthermore, our rigorous safety protocols, including 2,239 HSE site inspections and 1,462 training sessions,

underscore our dedication to employee well-being and operational integrity.

Through initiatives like the annual recognition gala and blood donation drives, we foster a culture of appreciation and community engagement, reinforcing our commitment to human capital development and societal well-being.

Celebrating EMPOWER's Achievements and Leadership in Sustainability for FY2023

FY2023 witnessed EMPOWER's recognition on multiple prestigious platforms, underscoring our position as the industry leader. Notably, the two gold awards at IDEA Annual Conference 2023, in the categories 'Number of Buildings Committed' and 'Total Building Area Committed' and the Gold LEED certification of our Za'abeel district cooling plant by the United States Green Building Council, exemplify our commitment to excellence and sustainability. Our proactive engagement with the global community, highlighted by hosting the District Cooling Summit 2023 as a side event of COP28, further underscores our dedication towards climate change mitigation efforts.

+7.6%

An increase in Connected Capacity (k RT), a notable expansion in EMPOWER's operational capabilities

+8.7%

An increase in Contracted Capacity (k RT), underscoring EMPOWER's strengthening position in the market, with a growing number of customers committing to its services

Future Vision and Strategic Expansion

Our strategic vision for the future is intricately knotted with our business model and the UAE's dynamic growth and sustainability objectives. With a focus on strategic expansion, advanced technology integration, and infrastructure development, Empower is poised to enhance its market leadership regionally and globally. Our commitment to sustainability, operational efficiency, and strategic growth, positions us to capitalize on emerging opportunities and drive towards a cooler, greener, and more sustainable future.

Acknowledgments

I extend my heartfelt gratitude to Dubai's wise leadership, the Board of Directors, our customers, and our employees, whose dedication and hard work have been pivotal to our success. Together, we are laying the foundation for a sustainable future, and I eagerly anticipate leading EMPOWER through another year of growth and success

Best regards,

AHMAD BIN SHAFAR
Chief Executive Officer
Emirates Central Cooling Systems Corporation PJSC (Empower)



Our commitment to human resources is integral to our success in the district cooling sector. With a workforce representing 27 nations and an 93.1% retention rate in 2023, our efforts to foster a multicultural environment and sustain employee satisfaction are evident.





Market & Operational Context:

Aligned with UAE's Vision



In an era where sustainability and innovation are not just aspirations but imperatives, EMPOWER's strategic foresight in harnessing these principles stands at the core of its operations and market strategy. Anchored in the dynamic economic landscape of the UAE, EMPOWER leverages robust growth to propel its mission forward. The Company's alignment with the UAE's visionary reforms and sustainability objectives provides a solid foundation for its strategic expansion and operational excellence.

This chapter delves into the intricate interplay of market dynamics, EMPOWER's strategic positioning, and its commitment to innovation and operational efficiency, underscoring its pivotal role in shaping the future of district cooling on both a regional and global scale.

United Nations Sustainable Development Goals (UNSDGs)



Global Reporting Initiative (GRI) Standards:

- » GRI 102-12: External Initiatives
- » GRI 102-13: Membership of Associations
- » GRI 102-15: Key Impacts, Risks, and Opportunities
- » GRI 103-1: Explanation of the Material Topic and Its Boundary
- » GRI 103-2: The Management Approach and Its Components
- » GRI 103-3: Evaluation of the Management Approach
- » GRI 302-1: Energy Consumption within the Organisation
- » GRI 302-4: Reduction of Energy Consumption
- » GRI 303-3: Water Withdrawal
- » GRI 305-1: Direct (Scope 1) GHG Emissions
- » GRI 305-4: GHG Emissions Intensity
- » GRI 305-5: Reduction of GHG Emissions
- » GRI 305-7: Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and Other Significant Air Emissions
- » GRI 306-1: Waste Generation and Significant Waste-Related Impacts
- » GRI 306-2: Management of Significant Waste-Related Impacts

UAE Economic Landscape

The economic landscape of the UAE, and Dubai in particular, is expected to exhibit dynamic growth in 2023, buoyed by a combination of strategic initiatives and a robust recovery in key sectors. The country's real GDP is anticipated to grow by 3.4% in 2023, an adjustment from earlier projections, with significant contributions from both oil and non-oil sectors, including travel, tourism, aviation, hospitality, real estate, trade, and logistics. These sectors have been instrumental in accelerating the country's post-pandemic recovery, supported by elevated oil prices and a rebound in domestic activity.

Dubai's economy expanded by 3.3% in Q3 of 2023 (mediaoffice.ae), signalling a positive trajectory in line with the Dubai Economic Agenda D33's objectives to double the GDP growth over the next decade. This growth is attributed to the government's commitment to accelerating projects under the D33 initiative, enhancing the emirate's global attractiveness, and promoting

digital transformation. The World Bank's revision of the UAE's GDP growth forecast upwards for 2023 and 2024 underscores the country's strong economic momentum and the successful recovery from the impacts of COVID-19, particularly in sectors like tourism and real estate.

The prime residential market in Dubai is set to witness the world's strongest growth in 2023, driven by Dubai's safe-haven status and a demand-supply imbalance. This is further supported by the government's effective pandemic response and business confidence, making Dubai one of the most affordable luxury residential markets globally. Despite global economic uncertainties, Dubai's appeal as a safe haven continues to attract international ultra-high-net-worth individuals.

With Dubai's metro area population exceeding 3 million in 2024, marking a 1.43% increase from 2023 (source: macrotrend.com), and a significant 19.43% rise in international visitors in 2023 to 14.36 million, the city's demand for district cooling is evident.

Additionally, the growth in the number of hotel, now counting to up 821 hotels in 2023, (source: globalmediainsight.com), underscores the growing demand for efficient cooling services.

In the real estate sector, Dubai has seen a 10% increase in average residential sales prices and a 27% increase in rents, reflecting the sector's resilience and Dubai's attractiveness as a global city. The pipeline of residential projects is growing, indicating sustained investor and developer confidence. The office spaces segment and the hotel sector have also experienced significant growth, highlighting strong business conditions, limited availability of quality spaces, and a rebounding tourism sector.

Overall, the economic outlook for Dubai and the UAE is positive, supported by strategic initiatives and robust growth in key sectors. These developments present a favourable environment for businesses and investors, particularly in the thriving real estate and tourism sectors.

Global District Cooling Market Dynamics

The global district cooling market is on an upward trajectory, poised for significant growth driven by sustainability and efficiency imperatives. The Middle East & Africa region, notably the UAE, is expected to capture a substantial market share, propelled by the expansion of commercial and residential sectors and the pressing need for sustainable cooling solutions amidst rising temperatures.

Aspect	KPI / Description
Dubai's Strategic Initiatives	Dubai Supreme Council of Energy and DSM Strategy; Targeting DC Penetration of 40% by 2030 Dubai’s commitment to efficient cooling as part of its Demand Side Management (DSM) strategy showcases its leadership in sustainable energy use. The aim for a 40% district cooling penetration by 2030 underlines Dubai’s proactive approach to combating climate change and promoting energy efficiency.
Global Recognition	‘Champion City for District Cooling’ Dubai’s global recognition as a Champion City for District Cooling highlights its pioneering role and excellence in implementing district cooling systems. This accolade reflects the city’s innovative strategies for energy efficiency and its status as a benchmark for sustainable urban cooling solutions worldwide.
Market Valuation & Growth	\$28.19 billion (2023) to \$44.46 billion (2030); CAGR of 6.72% <i>(Source: https://www.fortunebusinessinsights.com/industry-reports/district-cooling-market-100090)</i> Global demand for sustainable solutions drives the district cooling market’s significant growth, reflecting an expanding market base and increasing industry value.
Sustainability Drive	Adoption Rate Increase The transition towards sustainable and efficient cooling technologies across various sectors signifies a move away from traditional AC systems towards more eco-friendly centralised cooling systems.
Climate Change Response	Demand Surge in Key Regions Global heatwaves, attributed to climate change, have escalated the demand for district cooling. This is particularly noticeable in the Middle East, Africa, Asia Pacific, and North America.
Regional Market Dynamics	Major Share by Middle East & Africa The expansion of commercial and residential sectors, coupled with high temperatures, bolsters the district cooling market in these regions, indicating a significant market share.
Growth in Emerging Markets	Market Expansion in the Middle East & Asia The surge in commercial and residential developments, especially in the Middle East, China, India, and Southeast Asia, underscores the robust growth potential for advanced cooling systems, highlighting the industry’s expansion.

EMPOWER’s Strategic Market Positioning

EMPOWER’s strategic positioning in the district cooling market is underpinned by its commitment to sustainable development and innovation. In 2023, EMPOWER has made significant strides in enhancing its manufactured capital through strategic operational expansions, aligning closely with the UAE’s vision for a sustainable future. This alignment is evident in EMPOWER’s active participation in global climate initiatives, reflecting its dedication to sustainability and environmental stewardship. The Company has focused on increasing its Refrigeration Ton (RT) capacity, deploying District Cooling Services (DCS) to significant developments, and emphasising sustainability objectives. EMPOWER’s market positioning is further enhanced by its affiliations with global agencies and its notable achievements in international forums, including partnerships with the United Nations Environment Programme (UNEP), as well as participation and recognition at the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) and the International District Energy Association (IDEA) events. These affiliations showcase the Company’s global leadership and commitment to promoting energy efficiency and sustainable development.

Operational Excellence and Innovation at EMPOWER

Catalysing Innovation with Intellectual Capital: EMPOWER’s leadership in the district cooling industry is widely recognised, with its comprehensive portfolio featuring major landmarks and cutting-edge developments. The Company’s commitment to sustainability and efficiency is evident through strategic investments in advanced technology and infrastructure. The Company’s intellectual capital is the foundation for its innovation and leadership within the district cooling sector. Under the visionary leadership of CEO His Excellency Ahmad bin Shafar, EMPOWER has achieved global recognition, establishing itself as an industry trailblazer. The Company has hosted influential summits to foster dialogue on the transformative potential of district cooling technologies and their role in climate action.

Enhancing Operational Capacity and Sustainability: EMPOWER’s strategic operational expansion during FY2023 emphasises its commitment to sustainable development. This includes scaling operations through strategic projects aligning with the UAE’s vision for a sustainable future. Significant strides in Refrigeration Ton (RT) capacity highlight EMPOWER’s robust expansion trajectory, fuelled by strategic agreements to deploy District Cooling Services (DCS) to major developments.

Revolutionizing Efficiency with State-of-the-Art Command Control Centre: (CCC): EMPOWER’s facility represents a quantum leap in operational efficiency and service delivery, employing cutting-edge technology to monitor, control, and optimise the performance of its cooling plants and networks across Dubai in real time. The CCC harnesses advanced algorithms, artificial intelligence, and predictive analytics to ensure peak operational efficiency, energy conservation, and environmental sustainability. The Command Control Centre significantly enhances system reliability and customer satisfaction by proactively identifying and



addressing potential issues before they escalate. This strategic investment underscores EMPOWER’s dedication to innovation and excellence and its role as a pioneer in adopting smart solutions for urban energy management. The CCC is a cornerstone of EMPOWER’s infrastructure, propelling the Company towards its sustainability, efficiency, and world-class customer service goals.

Advanced Technology for Enhanced Efficiency: EMPOWER’s operational excellence is further bolstered by integrating advanced technologies such as Treated Sewage Effluent (TSE) for water conservation and Thermal Energy Storage (TES) systems for improved energy efficiency. These technologies significantly reduce environmental impact and align with global sustainability goals. Adopting advanced SCADA systems for real-time monitoring and control enhances EMPOWER’s operational responsiveness and efficiency. These initiatives enable EMPOWER to maintain a leading position in the district cooling industry by ensuring reliable and sustainable cooling services. EMPOWER’s commitment to operational excellence and innovation is a testament to its leadership in the district cooling industry. Through strategic investments in technology and infrastructure and a steadfast dedication to sustainability, EMPOWER sets benchmarks for efficiency and environmental stewardship in the energy sector.

Infrastructure Development and Expansion: EMPOWER’s strategic investments extend to infrastructure development, significantly enhancing its service capacity and coverage.

Notable projects include enhancing the Business Bay area, the JBR upgrade project, and commissioning new plants across strategic locations. These developments are pivotal in supporting Dubai’s urban growth and sustainability ambitions.

Looking Ahead: Sustained Growth and Strategic Expansion

As we look towards the future, EMPOWER is well set to deliver continued growth and expansion, fuelled by a strategic vision that aims to solidify its position as the market leader in Dubai while exploring new horizons within the region and beyond. The Company’s solid commitment to sustainability, aligned with Dubai’s dynamic economy and strategic initiatives, sets the stage for EMPOWER to excel in an evolving energy landscape. With strategic measures designed to enhance operational efficiency and sustainability, the Company capitalises on the vigorous domestic activity and the anticipated growth in real GDP. These strategic endeavours are in lockstep with sectors pivotal to the UAE’s economy, such as tourism and real estate, positioning EMPOWER to leverage the opportunities presented by these thriving industries.

The Company’s strategic focus on sustainability drives the market’s growth, promoting the adoption of energy-efficient cooling solutions across urban developments. EMPOWER’s initiatives to expand its operational footprint in the high-growth regions of the Middle East & Africa are based on the heightened demand driven by climate change.



Our Strategic Framework:

Leading the Charge in Global Cooling Solutions

	Strategic Pillar/Goal	Description	Relevant UNSDGs	Relevant GRI References	Material Issues	Business Model Elements
1 	Eco-Innovation and Green Leadership	EMPOWER's sustainability strategy is integral to its operations, aligning with global climate initiatives and sustainable development efforts. By adopting green building standards and investing in energy-efficient technologies, EMPOWER actively contributes to water conservation, carbon emission reductions, and improved energy efficiency. These efforts align with the United Nations Sustainable Development Goals (UNSDGs), highlighting EMPOWER's commitment to environmental stewardship and its role in promoting sustainable urban energy solutions. EMPOWER demonstrates leadership in the district cooling industry through these initiatives and contributes to the global sustainability agenda. Read our Chapter on Natural Capital on page 96 .		GRI 302: Energy GRI 305: Emissions	Climate Change Mitigation and Adaptation (1); Reducing Carbon Emissions (2); Energy Management and Renewable Energy Usage (4)	Key Resources (3); Value Propositions (4)
2 	Cutting-Edge Technological Pioneering	EMPOWER's leadership in technological innovation within the district cooling sector is underscored by its unwavering commitment to research and development, aiming to enhance operational efficiency, environmental sustainability, and refine district cooling technologies for the future market. This commitment extends to adopting cutting-edge technologies and exploring new markets, positioning EMPOWER at the forefront of industry innovation. By prioritizing technological advancements and market expansion, EMPOWER secures its competitive edge and drives the entire district cooling industry forward, ensuring its strategies align with the evolving demands of a growing global market. Read our Chapter on Intellectual Capital on page 112 .		GRI 103: Management Approach GRI 302-4: Reduction of Energy Consumption	Business Model & Innovation: Adapting to New Technologies (15)	Key Activities (2); Key Resources (3)
3 	Operational Superiority and Scalability	EMPOWER emphasizes operational excellence and strategic expansion, focusing on increasing Refrigeration Ton (RT) capacity and extending District Cooling Services (DCS) to significant developments. The Company invests significantly in its workforce, highlighting the importance of continuous learning and adaptability within the rapidly evolving energy sector. This investment in human capital development fosters a culture of innovation and excellence, ensuring EMPOWER's team is well-prepared for future challenges. Furthermore, substantial infrastructure development projects demonstrate EMPOWER's commitment to enhancing service capacity and coverage. These initiatives are crucial in supporting urban growth and sustainability ambitions, showcasing EMPOWER's dedication to advancing the district cooling industry and contributing to the sustainable development of the communities it serves. Read our Chapter on Manufactured Capital on page 60 .		GRI 302-1: Energy Consumption within the Organization	Leadership & Governance: Risk Management (20); Ethical Practices and Transparent Governance (22)	Key Partnerships (1); Channels (6)
4 	Global Market Leadership and Collaborative Synergy	EMPOWER's growth strategy is multifaceted, focusing on strategic acquisitions and organic growth by leveraging existing infrastructure for network expansion. This approach extends its service reach and diversifies its client portfolio, catering to a broader range of needs within the urban landscape. Further bolstering its market position, EMPOWER actively engages in research partnerships with prestigious academic institutions, industry organizations, and notable global entities such as the United Nations Environment Programme (UNEP), the International District Energy Association (IDEA), and the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE). These collaborations are pivotal in enhancing EMPOWER's intellectual capital, cementing its leadership in sustainable energy solutions. Read our Chapter on Relationship and Social Capital on page 86 .		GRI 102-13: Membership of Associations	Social Capital: Community Engagement Programs (7); Customer Welfare (8)	Customer Relationships (5); Customer Segments (7)



Strategic Pillar/Goal	Description	Relevant UNSDGs	Relevant GRI References	Material Issues	Business Model Elements
5 Excellence in Governance and Ethical Integrity	EMPOWER's corporate governance and compliance efforts focus on strengthening internal control systems to enhance operational efficiency, ensure financial accuracy, and meet regulatory compliance. This foundation supports the Company's global leadership and recognition, as evidenced by numerous prestigious awards and accolades that underscore EMPOWER's pioneering role in the district cooling industry. Driven by visionary leadership and a commitment to excellence, EMPOWER actively participates in international forums and summits, sharing insights and fostering dialogue on the transformative potential of district cooling technologies. This global recognition and leadership underscore EMPOWER's commitment to setting industry standards and advancing sustainable energy solutions. Read our Corporate Governance Report on page 142 .		GRI 102-16: Values, Principles, Standards, and Norms of Behaviour GRI 103-2: The Management Approach and Its Components	Leadership & Governance: Business Ethics Integrity Transparency and Anti-Bribery and Corruption Practices (17); Renewable Energy Generation (18)	Cost Structure (8); Revenue Streams (9)
6 Community Empowerment and Social Responsibility	EMPOWER's commitment to community engagement and Corporate Social Responsibility (CSR) is manifested through financial aid, health support initiatives, environmental advocacy, and fostering community bonds by participating in cultural and environmental events. The Company's leadership in sustainable urban energy solutions is further demonstrated through its active engagement and industry leadership, notably in hosting and participating in influential summits and conferences. These platforms enable EMPOWER to share its expertise, advocate for sustainable cooling practices, and reinforce its position as a thought leader in the sector, underlining its dedication to community welfare and environmental stewardship. Read our Chapter on Relationship and Social Capital on page 86 .		GRI 203-1: Infrastructure Investments and Services Supported GRI 203-2: Significant Indirect Economic Impacts	Social Capital: Social Development and Community Involvement (9); Human Capital: Employee Skill Development and Well-being (10)	Customer Segments (7); Channels (6)



EMPOWER champions eco-innovation and green leadership, embedding sustainability in its core operations to advance global climate goals. This strategy underlines its commitment to environmental stewardship, enhancing water conservation, energy efficiency, and carbon reduction efforts.

Value Through Sustainable Cooling:

A Blueprint for Urban Efficiency & Environmental Stewardship



For this Integrated Annual Report, we have leveraged the acclaimed Business Model Canvas designed by Alexander Osterwalder and Yves Pigneur to articulate our business model. This framework highlights EMPOWER's commitment to sustainable district cooling solutions, emphasising collaborations with key developers, technological advancements, and operational excellence.

By focusing on sustainable and energy-efficient cooling solutions, the Company contributes to environmental stewardship and ensures reliability and quality in its services. This model underscores EMPOWER's forward-thinking approach, blending economic goals with socio-environmental responsibilities continually adapting to the evolving regulatory, economic, and technological landscapes.



Our sustainable innovation model is paving the way for urban clusters where efficiency and environmental stewardship go hand in hand.



Building Block	Description
1 Key Partnerships SDGs: GRI: 203	The Company's strategic alliances are multifaceted, focusing on long-term agreements with master developers to ensure a solid foundation for providing district cooling services. These alliances are crucial for scaling operations into adjacent areas and retrofitting existing systems to modern standards. In addition, EMPOWER's growth encompasses inorganic strategies through acquisitions, bolstering its market presence. The company nurtures relationships with financial stakeholders and eyes international expansion into GCC markets like KSA, Qatar, and Egypt, leveraging opportunities in regions ready for district cooling adoption. <i>Please see our Chapter on Manufactured Capital starting on Page 60</i>
2 Key Activities SDGs: GRI: 201, 205	Dynamic partnerships and proactive growth activities characterise EMPOWER's business model. The company forges long-term agreements with master developers to secure exclusive district cooling service rights while seeking strategic geographic and service expansion alliances. It actively modernises and retrofits existing systems for enhanced efficiency and sustainability. The company's growth is further fuelled by strategic acquisitions, nurturing relationships with financial institutions, and eyeing international development in the GCC region, focusing on markets like KSA, Qatar, and Egypt. <i>Please see our Chapter on Strategic Roadmap starting on Page 32; and Manufactured Capital starting on Page 60</i>
3 Key Resources SDGs: GRI: 103, 201, 302	The Company's strategic framework is built upon a foundation of key resources essential to its operational success and growth in the district cooling industry. At the core of these resources is an extensive network of insulated piping and cooling plants, crucial for delivering efficient cooling services across diverse developments. The company also prides itself on a skilled workforce whose expertise and dedication drive operational excellence and innovation. Financial resources are allocated towards sustainable investments, ensuring its operations' long-term viability and environmental stewardship. Furthermore, EMPOWER leverages cutting-edge technological infrastructure to enhance energy efficiency and service quality, positioning itself as a leader in sustainable cooling solutions. <i>Please refer to our Chapter on Human Capital starting on Page 76; and our Chapter on Intellectual Capital starting on Page 112</i>
4 Value Propositions SDGs: GRI: 203, 301, 303	EMPOWER's value proposition focuses on delivering sustainable and energy-efficient district cooling solutions, emphasising environmental stewardship and reducing carbon footprint. Through long-term exclusive service agreements with master developers and retrofitting services for older developments, EMPOWER ensures reliability and sustainability. The company pioneers large-scale cooling projects like the Dubai International Airport, demonstrating its commitment to innovation and sustainability in cooling solutions. This approach aligns with global sustainability goals and positions EMPOWER as a leader in the district cooling industry, dedicated to enhancing urban living environments. <i>Please see our Chapter on Intellectual Capital starting on Page 112; and our Chapter on Manufactured Capital starting on Page 60</i>
5 Customer Relationships SDGs: GRI: 102, 413	The Company fosters robust customer relationships through various strategic measures. Long-term agreements with master developers and building owners ensure a stable provision of District Cooling Services (DCS), securing EMPOWER's role as a critical utility provider in large-scale projects. Direct agreements with end-users, encompassing corporate entities and individuals, amplify EMPOWER's commitment to delivering high-quality, reliable cooling solutions. This approach underscores the company's dedication to maintaining a high standard of service quality. Additionally, EMPOWER's engagement in community initiatives and sustainable practices further demonstrates its commitment to social responsibility, reinforcing its value on environmental stewardship and community welfare. This multifaceted approach to customer relations strengthens EMPOWER's market position and enhances its reputation as a leader in sustainable urban energy solutions. <i>Please see our Chapter on Relationship & Social Capital starting on Page 86</i>

Building Block	Description
6 Channels SDGs: GRI: 301, 302, 303	EMPOWER utilises its district cooling infrastructure to ensure efficient and reliable customer service delivery. This includes a comprehensive network of cooling plants and insulated piping that forms the backbone of their operations. EMPOWER leverages advanced digital and technological platforms to complement its physical infrastructure for seamless operations management. These platforms facilitate a high level of operational efficiency and customer satisfaction. Additionally, EMPOWER prioritises customer service, offering both personal assistance and automated services to meet the diverse needs of its clients. This multi-channel approach ensures that EMPOWER's services are accessible, efficient, and customer-centric, aligning with the company's commitment to excellence and sustainability in district cooling services. <i>Please see our Chapter on Manufactured Capital starting on Page 60</i>
7 Customer Segments SDGs: GRI: 201, 413	The Company's customer segments include master developers engaged in expansive projects, a broad spectrum of building proprietors, and a varied collection of end-users that include corporate bodies, retail establishments, and residential dwellers. This approach ensures EMPOWER caters to a broad spectrum of cooling needs, facilitating comprehensive district cooling services across various sectors. Their tailored services address the demands of significant urban developments and ensure individual buildings and their occupants receive efficient, reliable cooling solutions. This broad customer base underscores EMPOWER's pivotal role in enhancing urban living and working environments through sustainable cooling practices. <i>Please see our Chapter on Manufactured Capital starting on Page 60; and our Relationship & Social Capital starting on Page 86</i>
8 Cost Structure SDGs: GRI: 201, 302, 303	EMPOWER's financial framework is built on a strategic approach to managing capital and operational expenses. The company employs a modular asset strategy, allowing for phased capital expenditure and flexibility in scaling its infrastructure based on demand. Operational expenses encompass maintenance costs, operational costs, power, IT infrastructure, cybersecurity, and adherence to regulatory compliance, ensuring the company operates efficiently and securely. Additionally, EMPOWER invests in technological innovations, enhancing its service offerings and maintaining its competitive edge. This balanced investment strategy supports EMPOWER's commitment to delivering high-quality, sustainable district cooling solutions. <i>Please refer to our Chapter on Manufactured Capital starting on Page 60; and our Chapter on Management Discussion & Analysis starting on page 122</i>
9 Revenue Streams SDGs: GRI: 201, 303	The Company generates revenue through various streams integral to its business model. This includes income from long-term service agreements with developers and building owners, ensuring a stable financial base. Consumption charges form a significant part of the revenue, calculated based on customers' actual usage of cooling services, reflecting a pay-per-use model. Fixed demand charges are levied to cover capital expenses, establishing a consistent revenue component irrespective of usage intensity. Additionally, the company accrues revenue from connection fees, surcharges for specific services, and maintenance charges, diversifying its income sources and enhancing financial stability. <i>Please refer to our Chapter on Manufactured Capital starting on Page 60; and our Chapter on Management Discussion & Analysis starting on page 122</i>

Through strategic partnerships and proven current technologies, EMPOWER is shaping the future of district cooling, emphasising our commitment to a cooler, greener planet.



How We Create Value

EMPOWER is the world's largest player in district cooling, driving sustainability and efficiency with strategic investments in green technologies and robust financial health.

Inputs	Strategic Pillar	Model Component	Our Value Creation Process	Outputs	Outcomes	Material Issues	SDGs
Financial Capital (page 54) » Invested AED 39 million in sustainable tech for operational efficiency. » Focused on diverse financial resources to support operations. » Improved gross debt-to-equity ratio from 1.48 to 1.36 for better financial health.		1 2 9	Market Dynamics The market dynamics affecting us are driven by Dubai's DSM strategy aiming for a 40% district cooling penetration by 2030, fostering growth. The projected growth of the global district cooling market, alongside increasing sustainability drives, presents opportunities for Empower. Its strategic positioning and alignment with the UAE's vision ensure it is well-placed to capitalize on emerging trends and sustain growth. See <i>Market & Operational Context</i> page 28	Financial Capital (page 54) » Revenue grew 8.7% to AED 3,035 million, EBITDA by 6.2% to AED 1,461 million with 48.1% margins, and operating profit by 6.5% to AED 1,120 million in 2023. » Disbursed AED 850 million in dividends, demonstrating a strong dividend policy.	Financial Capital (page 54) » Adjusted the debt-to-equity ratio reflecting sound leverage, realizing an ROCE of 15.47%. » Market capitalization grew to AED 16.6 billion, demonstrating investor confidence and market strength.	Issue #13: Access to Capital	UNSDG 6 UNSDG 7 UNSDG 8 UNSDG 9 UNSDG 10 UNSDG 12 UNSDG 13
Manufactured Capital (page 60) » Increased refrigeration capacity by 7.6% to 1512k RT in FY2023. » Added new plants by 6 to reach 87 by end of FY2023, enhancing overall refrigeration capacity. » Extended the cooling network by 18 km in Dubai.		3 4 6	1 Our Market & Operational Context Page 28 2 Our Business Operational Model Page 36 3 Our Corporate Governance Page 142 4 Our Intellectual Capital Page 112 5 Our Strategic Objectives & Pillars Page 32 6 Our Relationship & Social Capital Page 86	Manufactured Capital (page 60) » Raised connected and contracted capacity to 1512k RT and 1663k RT, respectively. » Implemented energy-efficient technologies for reducing electricity consumption. » Lowered CO₂ emissions, aligning with global sustainability goals.	Manufactured Capital (page 60) » Developed new cooling solutions from sustainable technology investments. » Enhanced service quality through modernization and efficiency. » Achieved long-term savings in energy, emissions, and costs from strategic investments.	Issue #2: Reducing Carbon Emissions Issue #5: Water Management	UNSDG 7 UNSDG 9 UNSDG 11 UNSDG 12 UNSDG 13
Intellectual Capital (page 112) » Enhanced Reverse Osmosis (RO) technology use for better water efficiency. » Invested in branding to highlight sustainability and innovation.		2 4		Intellectual Capital (page 112) » Expanded RO technology use for water optimization and efficiency. » Improved processes and guidelines for RO integration. » Gained recognition for sustainability efforts, enhancing brand equity	Intellectual Capital (page 112) » Gained a competitive edge with advanced technology adoption. » Achieved market distinction through environmental and technological leadership, and thought leader through industry contributions and global engagement.	Issue #3: Climate Change Mitigation and Adaptation	UNSDG 6 UNSDG 7 UNSDG 9 UNSDG 11 UNSDG 12 UNSDG 13 UNSDG 17
Human Capital (page 76) » Delivered extensive training and development programmes to employees. » Launched multiple employee well-being initiatives for health and safety. » Enhanced recruitment and diversity efforts, improving workforce diversity.		3		Human Capital (page 76) » Improved diversity and inclusion across the organization. » Maintained high retention and low turnover rates. » Achieved significant safety and health metrics.	Human Capital (page 76) » Enhanced competitive advantage through increased employee engagement. » Achieved market differentiation with strong employer branding. » Led in knowledge through employee-driven innovations and contributions.	Issue #10: Skill Development and well-being Issue #11: Health and safety	UNSDG 3 UNSDG 4 UNSDG 5 UNSDG 8 UNSDG 10 UNSDG 12 UNSDG 13
Relationship & Social Capital (page 86) » Implemented community programmes for sustainable development. » Invested in customer service for digital experience enhancement. » Conducted stakeholder engagement sessions for collaboration.		6		Relationship & Social Capital (page 86) » Achieved global recognition, enhancing reputation. » Surpassed customer happiness targets, building trust. » Monitored customer loyalty through retention rates.	Relationship & Social Capital (page 86) » Supported UNSDGs, promoting sustainable practices. » Impacted over 132,000 customers with energy-saving measures. » Strengthened relationships through community campaigns.	Issue #7: Community Engagement Programs	UNSDG 2 UNSDG 3 UNSDG 4 UNSDG 11 UNSDG 12 UNSDG 13 UNSDG 15 UNSDG 17
Natural Capital (page 96) » Implemented TSE for cooling, enhancing water sustainability. » Adopted VSDs for energy efficiency in operations. » Initiated waste reduction and recycling strategies.		1		Natural Capital (page 96) » Achieved significant water conservation with TSE use. » Realized energy savings through operational efficiency. » Reduced carbon footprint, improving environmental impact.	Natural Capital (page 96) » Contributed to sustainable urban development goals. » Positively impacted ecosystems with resource conservation. » Boosted stakeholder engagement in sustainability efforts.	Issue #1: Climate Change Mitigation and Adaptation	UNSDG 6 UNSDG 7 UNSDG 9 UNSDG 12 UNSDG 13
			Long-term strategic goals Our long-term strategic goals are aligned with Dubai's commitment to sustainable development and clean energy. We aim to maintain a leading role in the District Cooling Systems (DCS) industry amid Dubai's thriving real estate and economy. By maintaining over 80% of Dubai's district cooling connected capacity by end-2024 and targeting revenue growth, EMPOWER aims for sustained regional presence. Long-term goals include reaching 1.8 million RT by 2027, supported by organic and inorganic expansion strategies. See <i>Management Discussion & Analysis</i> on page 122				



ENGAGEMENT

EMPOWER's Materiality Assessment embodies our commitment to sustainability and stakeholder alignment. It signifies a strategic pivot towards practices that not only meet current needs but also anticipate future challenges. This initiative underlines our role in leading sustainable development within the district cooling industry, focusing on impactful areas such as environmental stewardship, social responsibility, and ethical governance. Through this lens, we're crafting a future where progress is measured not just by financial success, but by our contribution to a sustainable world.

Materiality and Stakeholder Engagement: Aligning expectations with EMPOWER's Future

This year, EMPOWER embarked on a comprehensive Materiality Assessment to help the Company identify key areas of focus within its integrated reporting framework. This process afforded a holistic perspective on the pivotal issues spanning economic, environmental, and social dimensions, highlighting the importance of aligning our strategic imperatives with these insights. The materiality assessment serves a dual purpose: it captures the essence of our stakeholders' diverse perspectives and ensures that our strategic narrative aligns with the genuine concerns and aspirations of those we serve. Through this initiative, we have enriched our understanding and identified the priorities that are crucial to both our stakeholders and to EMPOWER's vision of sustainable growth. Our findings from this materiality assessment reinforce our commitment to integrating our business objectives with stakeholder expectations, laying the groundwork for a strategy that promotes responsible, inclusive, and informed progress. Key ESG considerations identified through this process are pivotal to EMPOWER and our stakeholders, guiding our path forward.

EMPOWER is guided by the principle of aligning our strategic goals with stakeholder values, steering towards a future where responsibility and informed progress lead our way.

Materiality and its importance for Empower

In early 2024, Empower conducted a comprehensive survey, inviting a diverse range of internal and external stakeholders to participate. This included EMPOWER management members, employees, clients, ESG-focused investors, capital market brokers and community representatives. Materiality plays a crucial role for Empower, ensuring alignment with societal, environmental, and stakeholder needs. Through this survey and subsequent materiality assessment, we prioritized key Environmental, Social, and Governance (ESG) topics essential to our leadership in the district cooling industry and stakeholder satisfaction.

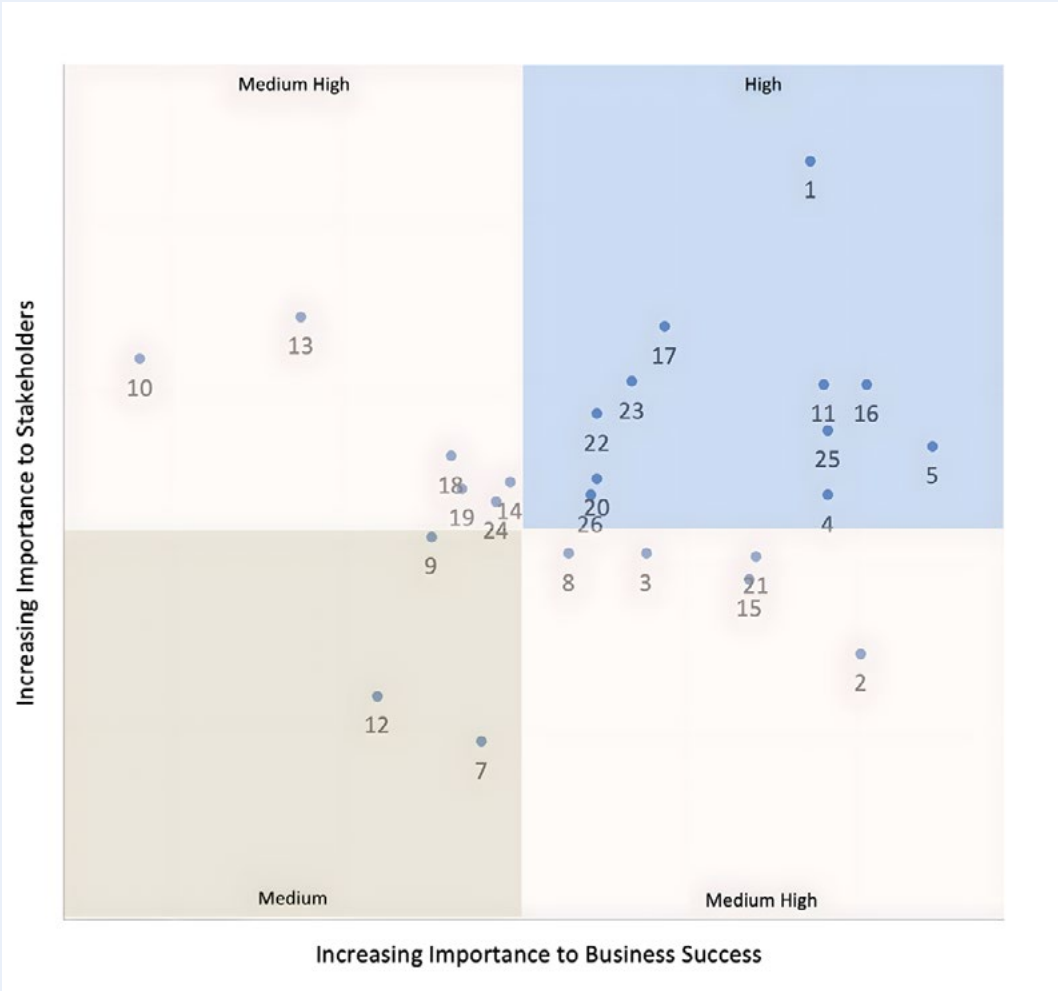
Our process involves rigorous industry benchmarking to stay competitive and aligned with industry standards and major developments. Additionally, we align with global and national commitments such as the United Nations Sustainable Development Goals (SDGs), the Paris Agreement on Climate Change, and the UAE's national vision, including the UAE's 2050 Net-Zero Carbon Target and associated plans. We analyse risks and opportunities associated with ESG factors, considering both current and future developments.

Internally, we engage in discussions to ensure our vision, positioning strategy, and operational model are in-sync with the identified material topics. Furthermore, stakeholder engagement is a cornerstone, as we seek input from various stakeholders to understand their priorities, concerns, and expectations fully.

Looking ahead, we are prioritizing and validating selected topics based on materiality principles and their potential impact on our operations, strategy, and stakeholders. This process ensures alignment with our strategic objectives and sustainability commitments. By focusing on these areas, we aim to enhance our operational efficiency, maintain market leadership, and contribute meaningfully to sustainable development while fulfilling our responsibilities to stakeholders and society at large.



ESG Elements aligned with the Business and Our Stakeholders:



EMPOWER’s Materiality Assessment maps our journey towards strategic alignment with key economic, environmental, and social priorities, echoing stakeholder values for sustainable progress. This process sharpens our focus on areas of highest impact, marrying business goals with stakeholder expectations to foster resilience, differentiation, and sustainable growth.

Highly Material Issues Cross-Referencing

From the insights garnered through our materiality survey and internal analyses, EMPOWER identified key topics as critical for inclusion in our Integrated Annual Report, reflecting our commitment to transparency and informed strategic direction.



Issue #	Issue Name	EMPOWER’S response the Issue	Chapters Relevant to Issues	Strategic Pillars (see Page 32)	GRI	UNSDG
1	Environment: Climate Change Mitigation and Adaptation	EMPOWER recognizes the critical importance of climate change mitigation and adaptation in shaping its business management strategies and acknowledges the impact of its operational practices on the environment. Through strategic infrastructure enhancements, significant advancements in water management practices, and a commitment to waste reduction, EMPOWER demonstrates leadership in promoting sustainability and environmental stewardship.	Natural Capital on Page 96		GRI 305 GRI 201	
2	Environment: Reducing Carbon Emissions	EMPOWER is committed to reducing carbon emissions through its district cooling services, incorporating advanced technologies such as Variable Speed Drives (VSD) to minimize energy consumption and greenhouse gas emissions. These initiatives not only enhance operational efficiency but also ensure compliance with environmental regulations, reflecting EMPOWER’s dedication to environmental responsibility and sustainable business practices.	Natural Capital on Page 96		GRI 305	
3	Environment: Climate Change Mitigation and Adaptation	Similar to the first issue, EMPOWER places a high priority on climate change mitigation and adaptation, implementing comprehensive strategies to address this challenge. By focusing on sustainable water use, energy efficiency, and waste management, EMPOWER contributes to global efforts against climate change, reinforcing its role in fostering a sustainable future.	Natural Capital on Page 96		GRI 305	
4	Environment: Energy Management and Renewable Energy Usage	EMPOWER emphasizes the importance of energy management and renewable energy usage in its operations, aiming to achieve energy conservation and reduce environmental impacts. The adoption of innovative technologies and data-driven operational improvements highlight EMPOWER’s efforts to enhance energy sustainability and support broader renewable energy initiatives.	Natural Capital on Page 96		GRI 302 GRI 303	
5	Environment: Water Management	Recognizing the significance of water management, especially in the context of Dubai’s district cooling industry, EMPOWER employs innovative water management strategies, including the use of treated sewage effluent (TSE) and seawater. These practices not only demonstrate EMPOWER’s commitment to sustainable water use but also contribute to water sustainability in the region.	Natural Capital on Page 96		GRI 303	



Issue #	Issue Name	EMPOWER'S response the Issue	Chapters Relevant to Issues	Strategic Pillars (see Page 32)	GRI	UNSDG
6	Social Capital: Human Rights	EMPOWER acknowledges the significance of human rights as a fundamental issue in managing its business operations. It is committed to upholding and promoting dignity, fairness, equality, respect, and independence, aligning with international human rights standards. EMPOWER actively implements policies and practices to ensure these rights are respected in all aspects of its operations, reflecting its dedication to ethical business conduct and social responsibility.	Social Capital on Page 86		GRI 406 GRI 408 GRI 409 GRI 412	
7	Social Capital: Community Engagement Programs	EMPOWER's community engagement programs significantly contribute to local communities' well-being and raise awareness about sustainable energy practices. These initiatives, aimed at education and active participation in sustainability, positively impact EMPOWER's reputation and customer loyalty by fostering strong community ties and promoting environmental stewardship.	Social Capital on Page 86		GRI 413	
8	Social Capital: Customer Welfare	Customer welfare is a critical aspect of EMPOWER's business operations. The Company's activities and policies are designed to ensure the welfare of its customers by providing safe, efficient, and environmentally sustainable cooling solutions. EMPOWER's commitment to customer satisfaction and welfare drives continuous improvement in service quality and operational efficiency.	Social Capital on Page 86		GRI 417	
9	Social Capital: Social Development and Community Involvement	EMPOWER views social development and community involvement as integral to its business management. The Company's operations and engagement strategies significantly contribute to social development and community well-being. Through various initiatives, EMPOWER supports sustainable urban development, environmental conservation, and educational programs, demonstrating its commitment to social responsibility and community support.	Social Capital on Page 86		GRI 413	
10	Human Capital: Employee Skill Development and well-being	EMPOWER's initiatives for employee skill development and well-being are highly effective, especially in the rapidly evolving energy sector. Through comprehensive training programs and a focus on career progression, EMPOWER enhances employee productivity and fosters innovation, ensuring that its workforce remains agile and capable of navigating industry changes.	Human Capital on Page 76	 	GRI 404	

Issue #	Issue Name	EMPOWER'S response the Issue	Chapters Relevant to Issues	Strategic Pillars (see Page 32)	GRI	UNSDG
11	Human Capital: Employee Health and safety	Employee health and safety are of paramount importance to EMPOWER. The Company's rigorous health, safety, and environment (HSE) strategies, including extensive training and risk management assessments, significantly contribute to safeguarding employee well-being, demonstrating EMPOWER's commitment to creating a safe and productive work environment.	Human Capital on Page 76	 	GRI 403	
12	Human Capital: Employee Engagement, Diversity, and Inclusion	Employee engagement, diversity, and inclusion are crucial for the management of EMPOWER's operations. The Company's efforts to cultivate a diverse and inclusive work culture have positively influenced its organizational effectiveness, enhancing innovation, employee satisfaction, and competitive success.	Human Capital on Page 76	 	GRI 405 GRI 406	
13	Business Model & Innovation: Access to Capital	Access to capital is crucial for EMPOWER and its customers, influencing the Company's ability to invest in infrastructure and technology. EMPOWER's financial strategy, including partnerships and efficient capital management, enhances its access to capital, supporting sustainable growth and innovation.	Business Operational Model on Page 36	 	GRI 201 GRI 203	
14	Business Model & Innovation: Supply Chain Management	Effective supply chain management is essential for EMPOWER's operational success, efficiency, and sustainability. The Company's strategic approach to supply chain management optimizes costs, enhances service quality, and supports sustainable practices.	Business Operational Model on Page 36		GRI 308 GRI 414	
15	Business Model & Innovation: Adapting to New Technologies	EMPOWER's business model is highly adaptable to new technologies and market trends, contributing significantly to its long-term sustainability and market leadership. This adaptability fosters innovation and ensures competitiveness.	Business Operational Model on Page 36 and Manufactured Capital on Page 60		GRI 302 GRI 306	
16	Business Model & Innovation: Long-Term Management of Assets	The long-term management of assets is critical for EMPOWER's operational effectiveness, financial stability, and service quality. Strategic asset management ensures the reliability and efficiency of services, supporting the Company's sustainability goals.	Business Operational Model on Page 36		GRI 301 GRI 306	
17	Leadership & Governance: Business Ethics, Integrity, Transparency, and Anti-Bribery and Corruption Practices	EMPOWER places a high significance on ethical practices, integrity, transparency, and anti-bribery and corruption measures, recognizing them as fundamental to maintaining operational credibility and stakeholder trust. The Company's rigorous governance framework ensures accountability, fairness, and adherence to ethical standards.	Corporate Governance Report on Page 142		GRI 205 GRI 206	



Issue #	Issue Name	EMPOWER'S response the Issue	Chapters Relevant to Issues	Strategic Pillars (see Page 32)	GRI	UNSDG
18	Leadership & Governance: Renewable Energy Generation	Renewable energy generation is considered a material issue in managing EMPOWER's business, reflecting the Company's commitment to environmental sustainability and operational efficiency. EMPOWER's strategic initiatives in integrating renewable energy sources underscore its role in promoting sustainable urban environments.	Natural Capital on Page 96 and Corporate Governance on Page 142		GRI 302	
19	Leadership & Governance: Competitive Behaviour	Competitive behaviour is essential for EMPOWER's market positioning and business management, enabling the Company to navigate the dynamic district cooling industry effectively. EMPOWER's strategic approaches to competition support its growth and performance.	Business Operational Model on Page 36		GRI 206	
20	Leadership & Governance: Risk Management	Risk management is a critical component of EMPOWER's business operations, crucial for managing uncertainties and enhancing the Company's resilience. The Company's comprehensive risk management framework addresses potential opportunities and threats, ensuring sustained success.	Corporate Governance Report on Page 142		GRI 201 GRI 307	
21	Leadership & Governance: Ethical Practices and Transparent Governance	EMPOWER's commitment to ethical practices and transparent governance is paramount, positively impacting stakeholder trust and corporate integrity. The leadership's dedication to these principles fosters a culture of accountability and trustworthiness.	Corporate Governance Report on Page 142		GRI 205 GRI 102	
22	Leadership & Governance: Responsible Investment	Responsible investment, incorporating ESG factors into investment decisions, is a material issue for EMPOWER. The Company's approach to investment reflects its commitment to sustainability, risk management, and ethical governance.	Corporate Governance Report on Page 142		GRI 203	
23	Leadership & Governance: Reputation, Communications, and Awareness	Reputation, communications, and awareness are crucial for EMPOWER, affecting the Company's management and stakeholder relations. Effective communication policies and reputation management strategies are integral to maintaining the Company's image and stakeholder engagement.	Corporate Governance Report on Page 142		GRI 417 GRI 418	
24	Economy: Economic/ Financial Crises	Economic and financial crises are significant concerns for EMPOWER, highlighting the importance of resilience and strategic planning in navigating challenging periods. The Company's focus on sustainability and operational efficiency supports its ability to withstand economic fluctuations.	Market & Operational Context on Page 28		GRI 201 GRI 203	



Issue #	Issue Name	EMPOWER'S response the Issue	Chapters Relevant to Issues	Strategic Pillars (see Page 32)	GRI	UNSDG
25	Economy: Contribution To the Economic Development	EMPOWER's contribution to Dubai's economic development through district cooling services is significant, enhancing the Company's financial stability and growth prospects. The Company's operations support Dubai's development goals and contribute to the broader economic context.	Market & Operational Context on Page 28		GRI 203	
26	Economy: Capital Values	Capital values, encompassing various forms of capital, are material to EMPOWER's business management. The Company recognizes the importance of managing and valuing different types of capital to design effective management systems and support sustainable growth.	Financial Capital on Page 54		GRI 201	



CAPITALS

At EMPOWER, we strategically integrate Financial, Manufactured, Intellectual, Human, Social, and Natural Capitals, creating a robust foundation for sustainable growth. Through innovative solutions, skilled talent, and responsible stewardship, we aim to not only meet but exceed stakeholder expectations. Our commitment to leveraging all capitals ensures we remain at the forefront of the district cooling industry, driving operational excellence, enhancing community well-being, and leading the charge towards a sustainable, energy-efficient future.

Financial Capital: Future-Focused Sustainable Growth



For EMPOWER, nurturing Financial Capital is about more than just securing profitability; it is about ensuring the continuity and growth of our business in a way that benefits all stakeholders, particularly our investors. By maintaining an optimal capital structure, as detailed in our capital risk management strategy, we aim to reduce the cost of capital, thereby providing returns for shareholders and enhancing the firm's overall value.

Our financial capital management extends beyond the pursuit of short-term gains, focusing on the longevity and sustainability of our operations. It's a meticulous balance of risk and opportunity that requires constant vigilance and strategic foresight. How we allocate and utilize our financial resources reflects our commitment to enduring as a going concern and thriving as one. This approach to financial stewardship is central to our mission and is the bedrock upon which we build investor confidence and stakeholder trust.

As we continue to channel our financial capital towards sustainable investments and strategic initiatives, we do so with an eye towards the future—a future where the growth of EMPOWER is intrinsically linked to the prosperity of our shareholders and the broader community we serve.

Capital Allocation towards Sustainability

EMPOWER has demonstrated a firm commitment to create sustainable district cooling infrastructure into its financial capital allocation, with strategic investments in various projects and practices that underscore this dedication. The total investments made during FY2023 in sustainable projects by EMPOWER amount to AED 1.2 billion. These investments, made during FY2023, reflect EMPOWER's proactive approach to fostering a sustainable business model that adheres to and sets higher benchmarks for environmental and social objectives.

AED 1.2 billion

The total investments made during FY2023 in sustainable projects by EMPOWER amount to AED 1.2 billion.

UNSDG:



Strategic Pillars:



Business Model Elements:



Material Issue Surveyed

1, 2, 4 & 20

GRI

201, 202, 203, 206, 302, 303 & 305

UNSDG



GRI

302, 303, 305

UNSDG



GRI

201, 203

EMPOWER’s Financial Leverage: A Strategic Overview

In the dynamic world of corporate finance, EMPOWER’s journey through the fiscal year 2023 is a testament to strategic foresight and prudent financial management. This narrative delves into our deliberate decisions in structuring our capital, aligning our financial strategies closely with industry benchmarks, and fostering a transparent relationship with our stakeholders.

In FY2023, we saw a subtle yet significant refinement in our gross debt-to-equity ratio, which shifted from 1.48 to 1.36, and a net ratio change from 0.99 to 1.19. These ratios reflect our commitment to optimizing our capital structure for financial health and operational agility. In the grand scheme of our sector, these financial ratios echo the financial health of the Company.

However, leverage management is not without its acknowledgement of risks—financial distress, interest rate fluctuations, and their implications on credit ratings. EMPOWER’s position is one of caution and preparedness, aligning our risk management strategies with industry norms to protect our financial stability. Our debt maturity profile extends beyond a mere schedule, serving as a strategic blueprint for financial flexibility and readiness to seize future opportunities.

In 2023, our interest coverage ratio stood as a beacon of financial stability at approximately 4.23, highlighting our capability to meet interest obligations and ample headroom in our capital-raising capacity. The impact of our leverage strategy reaches into enhancing financial performance metrics such as return on equity, managing the cost of capital, stabilizing earnings, sculpting our financial performance, and driving value for our stakeholders.

As we look towards the future, EMPOWER is committed to continually evaluating and adjusting our capital structure to maintain balance and foster growth. Through this journey of strategic planning, risk management, and future-focused financial management, EMPOWER demonstrates its commitment to operational excellence and shareholder value.

1.36

In FY2023, we saw a refinement in our gross debt-to-equity ratio, which shifted from 1.48 to 1.36.



UNSDG



GRI

206

5.5

The EBITDA/Debt Coverage Ratio was a robust 15.2 in FY2022. For FY2023, we maintained a healthy ratio at 5.5.

In FY2023, EMPOWER refined its gross debt-to-equity ratio from 1.48 to 1.36, reflecting strategic financial management for optimal capital structure and operational agility. Our commitment to financial health and stability, alongside cautious leverage and risk management, underpins our future-focused strategy for growth and shareholder value.

EBITDA/Debt Coverage Ratio

For the fiscal year ending in 2023, EMPOWER’s steadfast approach to fiscal management is evident through our key financial metrics. The Total Debt Service for the year 2022 was recorded at AED 90.65 million. During FY2023, this figure rose to AED 264.70 million, reflecting a strategic uptake in our investment activities and capital structure optimisation to drive long-term growth.

Our diligence in financial stewardship is further demonstrated by our EBITDA, which stood at AED 1,376.09 million in 2022 and saw an increase to AED 1,460.95 million in 2023. This uptrend indicates our operational profitability and ability to generate substantial cash flow from our core business operations.

Notably, the EBITDA/Debt Coverage Ratio, a key indicator of a company’s ability to pay off its incurred debts, was a robust 15.2 in 2022. In 2023, we continued to maintain a healthy ratio at 5.5, which underscores our financial fortitude and affirms the trust placed in us by our stakeholders and financial partners.

These metrics for 2023 speak positively to our prudent fiscal management and commitment to sustainable economic growth. Our ability to maintain a favourable EBITDA/Debt Coverage Ratio, amidst a backdrop of strategic investments and capital structure optimisation is a testament to the efficacy of our business model and the trustworthiness of our financial practices.

Earnings per Share

In an economic context marked by its volatility, EMPOWER’s Earnings Per Share (EPS) for 2023 stands at a commendable AED 0.095. While this figure reflects a modest retraction from the previous year’s EPS of AED 0.100, it is important to contextualize this within the broader market dynamics. The slight contraction by approximately 5.0% in our year-over-year growth rate aligns with the conservative financial strategies.

Despite these fluctuations, it is crucial to note that the overall profit attributable to our ordinary equity holders remains robust, totalling AED 952.9 million. This figure not only illustrates our company’s healthy profitability but also underscores our business model’s resilience in the face of global economic pressures.

Our ability to maintain a strong EPS underscores the efficacy of our strategic decisions and operational efficiencies. It is a testament to our commitment to delivering consistent shareholder value and confidence in the Company’s long-term growth trajectory. As we move forward, we are poised to leverage our solid financial foundation to capitalize on new opportunities and drive sustained profitability.

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AED 0.095

EMPOWER’s Earnings Per Share (EPS) for 2023 is a commendable AED 0.095.



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AED 850 million

We have successfully disbursed AED 850 million in dividends, which comprised of 50% of final dividend for FY2022, and also an interim dividend for FY2023.

Dividends

During the year 2023, a final dividend of AED 425 million for FY2022 was approved by the shareholders in the Annual General Meeting held in March 2023, and subsequently paid in the month of April 2023 (2022: Final dividend of AED 500 million (AED 0.5 per share)).

Reflecting our sustained commitment to shareholder returns, EMPOWER has continued to uphold a robust dividend policy through the 2023 fiscal year. For the year ended 31 December 2023, an interim dividend of AED 425 million was approved by the Board of Directors in the month of September 2023 and subsequently fully paid in the month of October 2023 (2022: Interim dividend of AED 2,900 million). This proactive dividend policy indicates our dedication to profit-sharing with our valued shareholders, reinforcing their confidence in our financial stewardship and strategic business direction.

These distributions underscore our resilient financial performance and solidify our reputation as a reliable vehicle for shareholder value creation, even amidst a dynamic economic landscape. As we look to the future, we remain committed to maintaining a sustainable dividend policy that is well-aligned with the growth of our business, ensuring that our shareholders continue to share in the success of EMPOWER's journey.



ROCE

EMPOWER's persistent focus on operational excellence and strategic financial management is reflected in our Return on Capital Employed (ROCE) for the fiscal year 2023, which stands at 15.47%. Despite the considerable increase in net debt position and the associated challenges, the Company has adeptly navigated the fiscal landscape to ensure capital is employed effectively, yielding substantial returns.

For stakeholders, this is an affirmation of EMPOWER's strategic capital allocation. It signals that their investment is being managed effectively, yielding profitable returns, and the Company maintains its commitment to financial prudence and value creation. The stable ROCE also indicates EMPOWER's competitive position within the industry, showcasing our ability to sustain profitability even as we strategically invest and scale our operations. This should assure stakeholders of the Company's resilience and long-term prospects of their investment.

15.47%

EMPOWER's Return on Capital Employed (ROCE) for the fiscal year 2023, stands at a healthy 15.47%.

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AED 16.6 billion

With a 17% growth through FY2023, the market capitalization of EMPOWER reached AED 16.6 billion by the end of the fiscal period.

Market Capitalisation

EMPOWER's market capitalization over the FY2023 period has shown steady and healthy growth, culminating in a significant year-over-year increase. From the issuance of shares on 14/11/2022 to the end of the same year, the share price increased from AED 1.33 to AED 1.42, marking a market cap growth of 7%. This growth trajectory continued into the following year, with the share price further increasing to AED 1.66 by 31/12/2023 and market capitalization reaching AED 16.6 billion, a 17% growth from the end of the previous year.

These numbers testify to our stakeholders' trust in our strategic direction and operational capabilities. The increase in market capitalization reflects the collective effort of our employees and the unwavering support from our investors and customers. As we progress, we remain committed to our principles of prudent fiscal management and sustainable business practices, ensuring that we continue to create and share value with all our stakeholders in a balanced and responsible manner.

In 2023, EMPOWER achieved a stable 15.47% Return on Capital Employed (ROCE), demonstrating strategic capital allocation and a commitment to value creation. This reflects our operational excellence and signals promising long-term investment prospects.



Manufactured Capital:

Strategic Operational Expansion and Sustainability Initiatives in 2023

In the quest for sustainable development, EMPOWER's commitment to enhancing manufactured capital through strategic, operational expansion is a testament to our pioneering role in the district cooling industry. The Company's dedication to sustainable development comes to life in 2023, a pivotal year that saw the Company fortify its infrastructure with state-of-the-art technologies and sustainable practices.

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Strategic Pillars:



Business Model Elements:

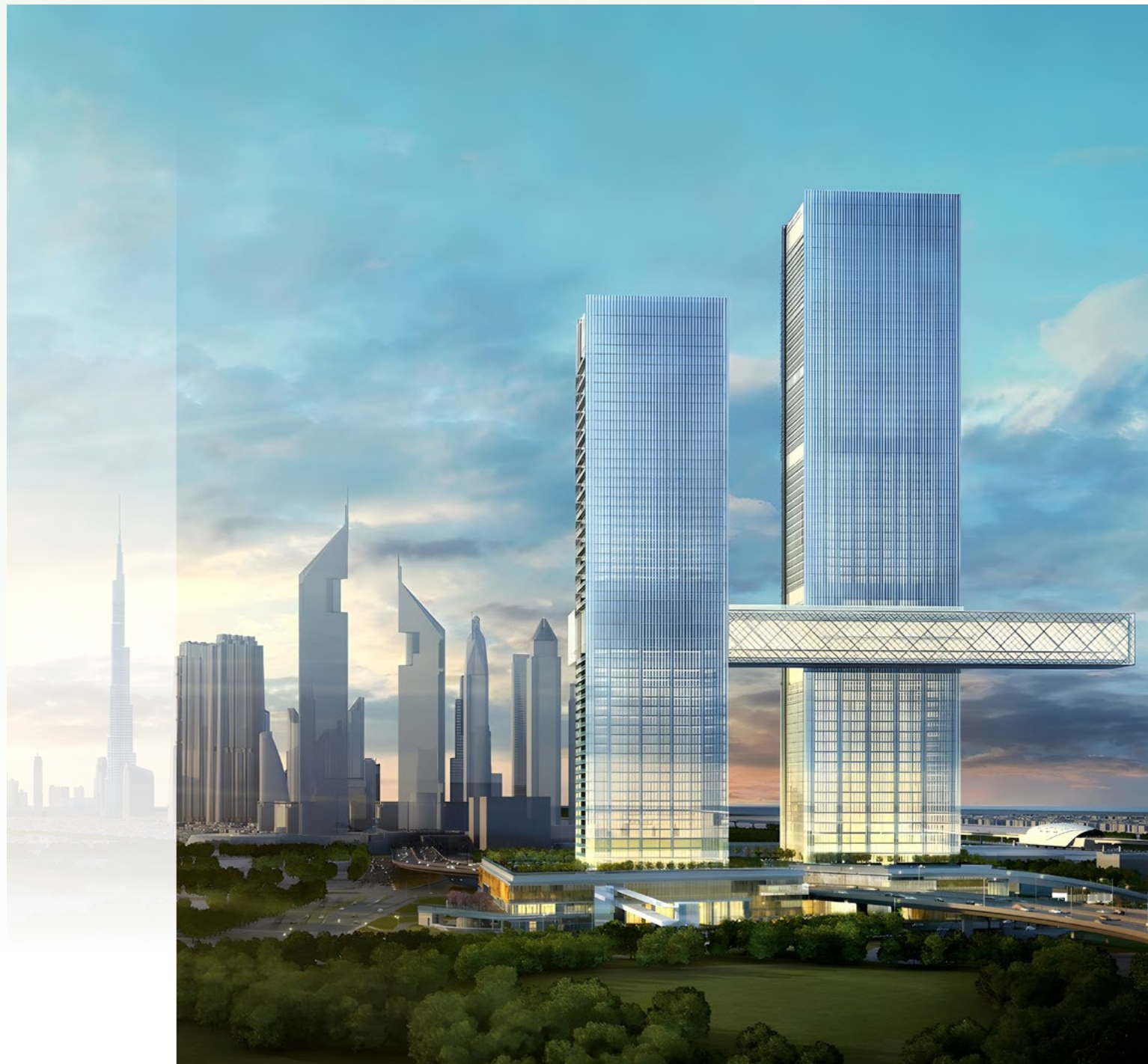


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Steered by the UAE's strategic initiatives, EMPOWER's alignment with the nation's vision for a sustainable future has been unwavering. This alignment is marked by the Company's active involvement in pivotal global climate conversations and its steady progress towards the nation's energy efficiency and renewable energy goals.

The chapter highlights EMPOWER's significant strides in Refrigeration Ton (RT) capacity, marking a trajectory of robust expansion fuelled by strategic projects. The Company's agreements to deploy District Cooling Services (DCS) to significant developments showcase its commitment to scaling operations while driving forward sustainability objectives.

Our Manufactured Capital Priorities

Strategic Operational Expansion

Focus on increasing Refrigeration Ton (RT) capacity and deploying District Cooling Services (DCS) to significant developments, underlining a commitment to scaling operations while advancing sustainability objectives.

Sustainability and Environmental Stewardship

Demonstrated through participation in global climate initiatives, adoption of green building standards, and investment in energy-efficient technologies. It aims to align with the UAE's energy and sustainability goal in reducing energy consumption and CO2 emissions.

Innovation and Technological Advancement

Utilisation of state-of-the-art technologies for efficient cooling exploration of cutting-edge solutions to enhance operational efficiency and reduce environmental impact.

Strategic Asset Maintenance and Efficiency

Implementation of Assets Maintenance Management System Guidelines to optimise asset performance, emphasising planned preventive and corrective maintenance to ensure reliability, reduce downtime, and support sustainability objectives.

Expansion and Modernisation Projects

Execution of strategic growth initiatives, including developing new district cooling plants and modernising existing facilities (e.g., JBR plant modernisation), to support Dubai's urban development and sustainability goals.

Partnerships and Strategic Agreements

Forging agreements with Dubai Maritime City, Sobha Realty, and other key developments to extend district cooling services, highlighting the role of strategic collaborations in achieving operational expansion and sustainability targets.

Global Leadership and Industry Influence

Participation in international forums like ASHRAE 2023 and achievements recognised by the Golden Bridge Awards and IDEA 2023, reinforcing EMPOWER's position as a global leader in the district cooling industry and its commitment to promoting energy efficiency and sustainable development globally.



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EMPOWER's Sustainability Mission

In FY2023, EMPOWER demonstrated a solid commitment to environmental sustainability and climate change mitigation, aligning with the UAE's comprehensive approach to sustainable development. This dedication was evident through its contributions towards the dialogue on climate action in anticipation of COP28, hosted by the UAE. Embracing the UAE's strategic initiatives, such as the UAE Energy Strategy 2050 and the Dubai Clean Energy Strategy 2050, EMPOWER has been at the forefront of enhancing energy efficiency and increasing the share of renewable energy within the district cooling industry. The Company's efforts to utilise advanced technologies for energy-efficient cooling and to promote the rationalisation of energy consumption underscore its role as a pivotal player in the sustainable development landscape. EMPOWER's adoption of green building standards further exemplifies its commitment to pioneering sustainable practices in the industry, reinforcing its position as the world's largest district cooling services provider and its vital contribution to mitigating climate challenges.

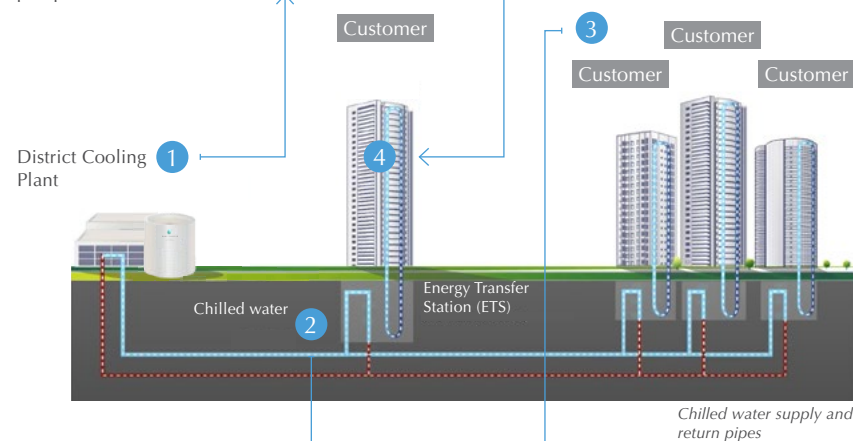
How does District Cooling work?

District cooling is a highly efficient system to supply chilled water for space cooling within a specific district or area. At the heart of this system lies the District Cooling Plant (DCP), where water is cooled to approximately 4.5°C using advanced, energy-efficient equipment such as water-cooled chillers, cooling towers, and pumps. This chilled water is then distributed through underground insulated supply pipes to the Energy Transfer Station (ETS) of each building in the district.

Within the ETS, the chilled water facilitates the air conditioning process by transferring its cool energy to the building's internal environment. The water, having absorbed heat and now warmed to around 13.5°C, returns to the DCP via insulated return lines, completing the cooling cycle. This closed-loop system is dynamic, continuously adjusting the chilled water flow based on the cooling demand of the buildings it serves, ensuring an efficient and sustainable solution for large-scale cooling needs.

The DCP (District Cooling Plant) generates and supplies bulk quantities of water at around 4.5 + 1°C known as "chilled water supply" using state of the art and very efficient equipments (water cooled chillers, cooling towers and pumps) within the district.

The chilled water return flows through the underground-insulated return line of the DCDN back to the DCP and the system continues to flow based on customer demand.



The chilled water flows through the underground insulated supply pipes of the DCDN (District Cooling Distribution Network) to the ETS (Energy Transfer Station) of each building.

Chilled water supply inside the ETS supports the air-conditioning in the building through specially designed and sized equipments, namely Plate Heat Exchangers, heated to around 13.5°C.

Empower District Cooling System is managed by a team of experts, delivering round-the-clock service and comprehensive emergency backup systems that ensure complete reliability and expertise.

↑ Chilled Water
↓ Warm Water

EMPOWER is in complete alignment with the UAE's sustainability vision, pioneering in the adoption of energy-efficient cooling solutions to advance the nation's climate action agenda.

Advantage District Cooling

District cooling stands out as a superior alternative to conventional cooling solutions due to its numerous advantages:

- » **Efficient Large-Scale Cooling:** Centralises chilled water production, leading to economies of scale and higher efficiency compared to multiple, smaller air conditioning units.
- » **Energy Conservation:** Offers up to 50% reduction in electricity consumption for cooling, enhancing energy utilisation through advanced, collective systems.
- » **Space Optimisation:** Frees up significant space on rooftops and basements, providing more room for design and architectural flexibility.
- » **Environmental Benefits:** Can achieve over 50% reduction in CO2 emissions, contributing to a decrease in greenhouse gas outputs and a lower carbon footprint.
- » **Advanced Infrastructure:** Utilises state-of-the-art technologies like thermal energy storage to balance cooling demands, leading to smoother operation during peak hours.
- » **Enhanced Aesthetics:** Eliminates the need for numerous outdoor air conditioning units, leading to cleaner building facades and improved overall aesthetics.
- » **Lower Long-Term Costs:** While initial infrastructure investment can be high, the operational and maintenance costs are generally lower than individual cooling systems, leading to long-term savings.
- » **Reliability and Stability:** Offers a more reliable and stable cooling supply, with less downtime and maintenance issues than individual air conditioning units.

Expanding Horizons:
EMPOWER's Strategic Growth in Refrigeration Ton (RT) Capacity

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**992k_{RT} to
1,512k_{RT}**
Growth in RT Capacity from 2017 - 2023



EMPOWER continued solidifying its position as an industry vanguard, driving forward with a diversified portfolio that enhanced our RT capacity. Our forward-looking approach aligns with our dedication to energy-efficient and sustainable cooling solutions, reinforcing our role as enablers of sustainable urban growth.



The Company's connected capacity trajectory underscores a robust expansion in line with our strategic ambitions. Our connected capacity has impressively scaled from 992k RT in 2017 to 1,512k RT by the end of 2023 — a testament to our operational excellence and commitment to growth. In FY2023, the Company attained a significant milestone of achieving 1,512k RT in connected capacity with an increase of 7.6% over previous year.

Looking ahead, our growth strategy is anchored in the heart of Dubai's development pulse. This surge is fuelled not only by the augmentation and modernisation of existing systems but also by the secured growth from Dubai master developments, strategic acquisitions, and a foray into international markets.

We are on course to exceed 1,858k RT target set for 2027 as a result of our recent agreements to deploy District Cooling Services (DCS) to prominent developments, including Dubai Maritime City and Sobha Hartland.

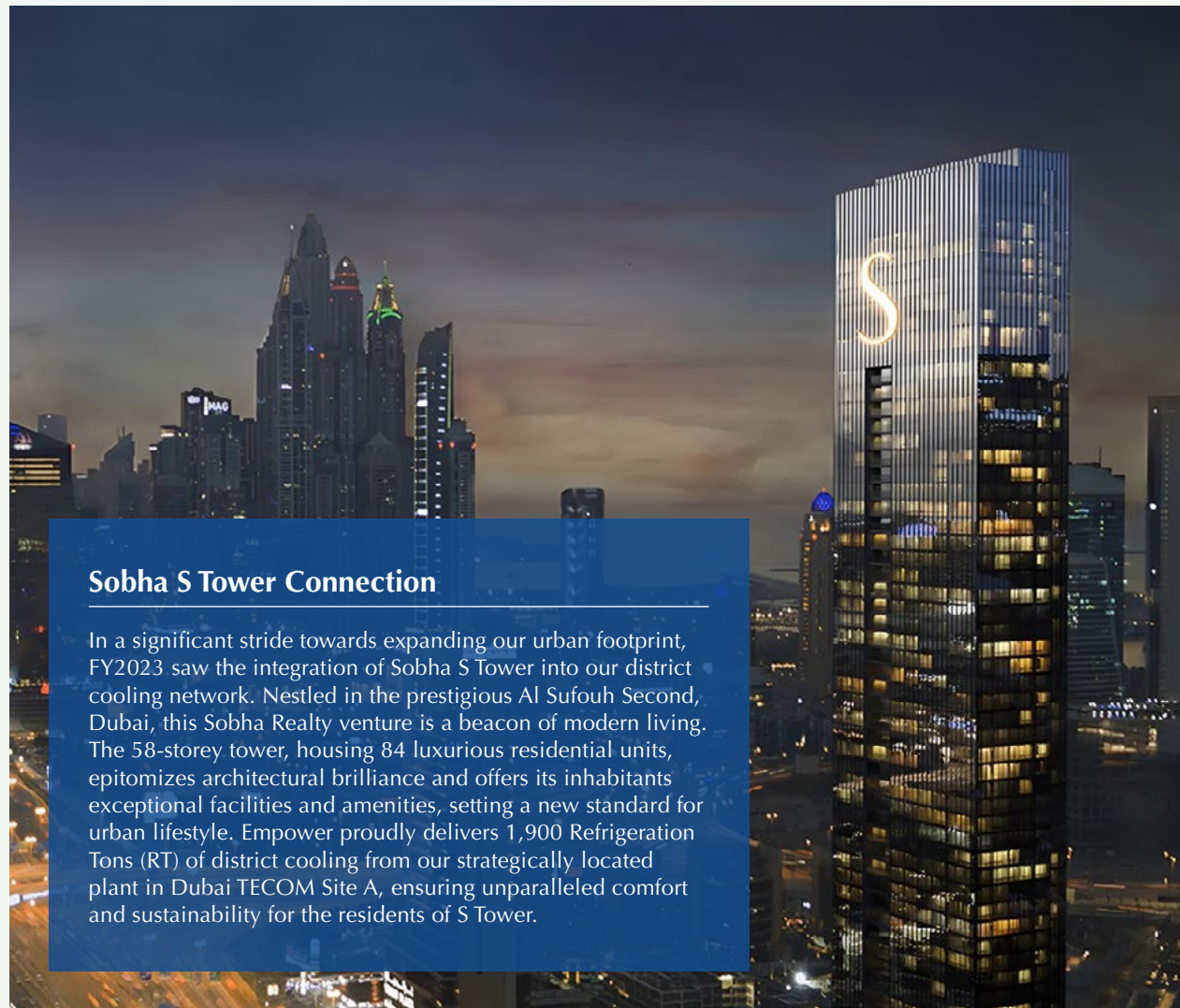
107k_{RT}

RT Connected Capacity added in FY2023

1,858k_{RT}

Projected RT Capacity by 2027

Key projects added in FY2023

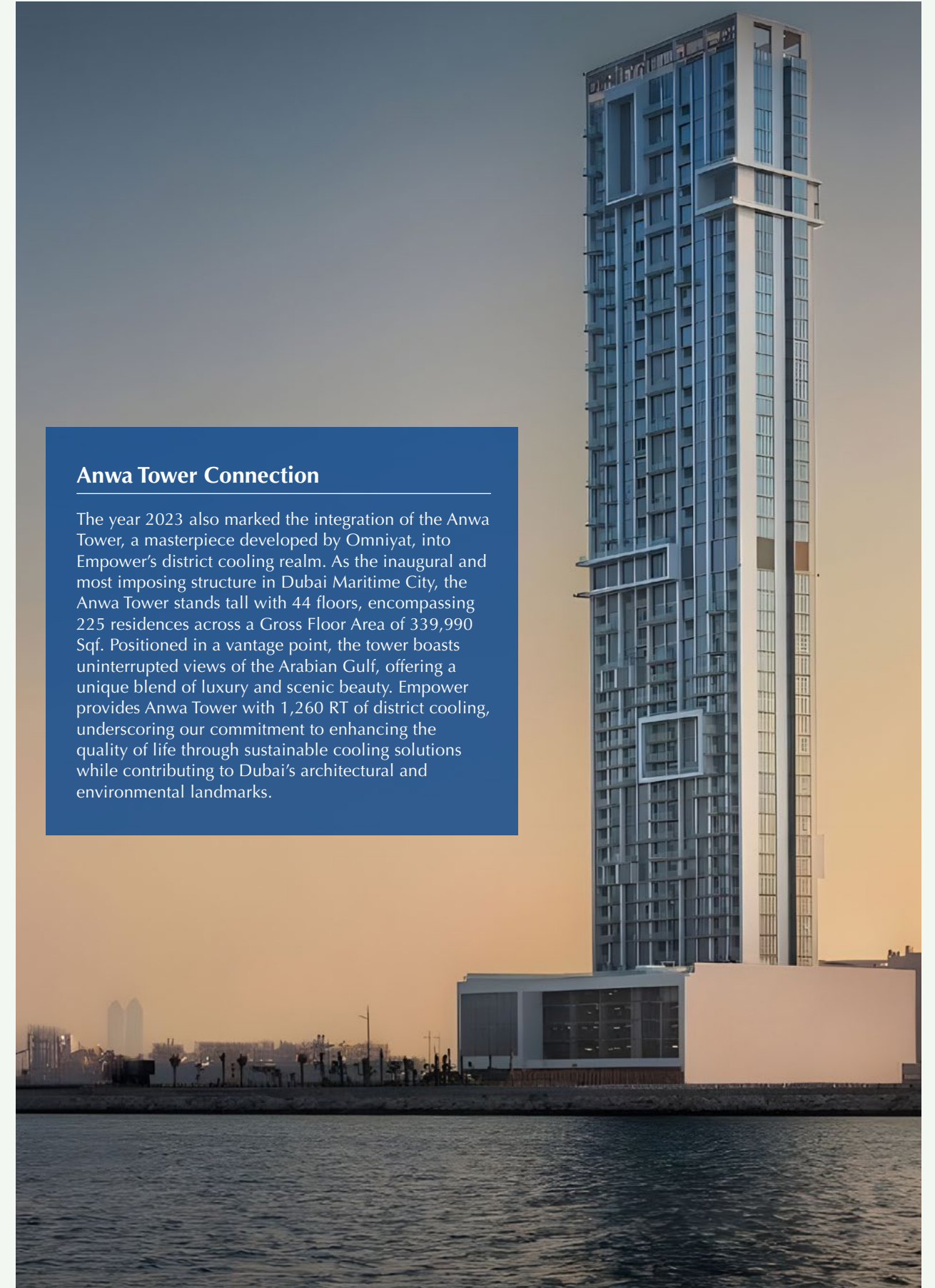


Sobha S Tower Connection

In a significant stride towards expanding our urban footprint, FY2023 saw the integration of Sobha S Tower into our district cooling network. Nestled in the prestigious Al Sufouh Second, Dubai, this Sobha Realty venture is a beacon of modern living. The 58-storey tower, housing 84 luxurious residential units, epitomizes architectural brilliance and offers its inhabitants exceptional facilities and amenities, setting a new standard for urban lifestyle. Empower proudly delivers 1,900 Refrigeration Tons (RT) of district cooling from our strategically located plant in Dubai TECOM Site A, ensuring unparalleled comfort and sustainability for the residents of S Tower.

Anwa Tower Connection

The year 2023 also marked the integration of the Anwa Tower, a masterpiece developed by Omniyat, into Empower's district cooling realm. As the inaugural and most imposing structure in Dubai Maritime City, the Anwa Tower stands tall with 44 floors, encompassing 225 residences across a Gross Floor Area of 339,990 Sqf. Positioned in a vantage point, the tower boasts uninterrupted views of the Arabian Gulf, offering a unique blend of luxury and scenic beauty. Empower provides Anwa Tower with 1,260 RT of district cooling, underscoring our commitment to enhancing the quality of life through sustainable cooling solutions while contributing to Dubai's architectural and environmental landmarks.





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87

District Cooling Plants by the end of FY2023

~132,000

Customers serviced in FY2023

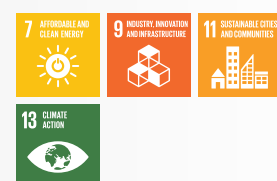
1,527

Buildings serviced in FY2023

21%

Hotels and hotel apartments of Dubai served in FY2023

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Enhancing Sustainability through Strategic Asset Maintenance



With the Company operating 87 active district cooling plants and servicing over 132,000 customers, a robust maintenance management system is crucial for sustainable service delivery and risk management, aligning with the Company's sustainability and efficiency goals. The Company's "Assets Maintenance Management System Guidelines" are integral to EMPOWER's Manufacturing Capital and Sustainability strategy, establishing a rigorous framework for maintenance to optimise asset performance and efficiency. Maintenance is pivotal for EMPOWER, ensuring operational efficiency, reliability, and asset longevity, directly influencing service quality and sustainability objectives.

The Company has established robust guidelines to prescribe a structured maintenance process, including Planned Preventive and Corrective Maintenance, which is critical for reducing downtime, costs, and risks. This formalised approach bolsters EMPOWER's commitment to sustainable, efficient district cooling services for its extensive network, highlighting the importance of maintenance in achieving sustainability and efficiency milestones.

Summer Readiness: EMPOWER's Strategic Approach to Peak Season Demands

As we approached the summer of FY2023, EMPOWER geared up to cater to the peak cooling demands. With our service area reaching more than 1,500 buildings across sectors such as residential, commercial, healthcare, and hospitality, we needed to tailor our measures for each customer group's specific needs. Our strategy for summer readiness encompassed a series of proactive sustainable steps, including the enhancement of our district cooling infrastructure. We extended our pipeline networks and integrated Thermal Energy Storage (TES) systems along with other cutting-edge technologies.

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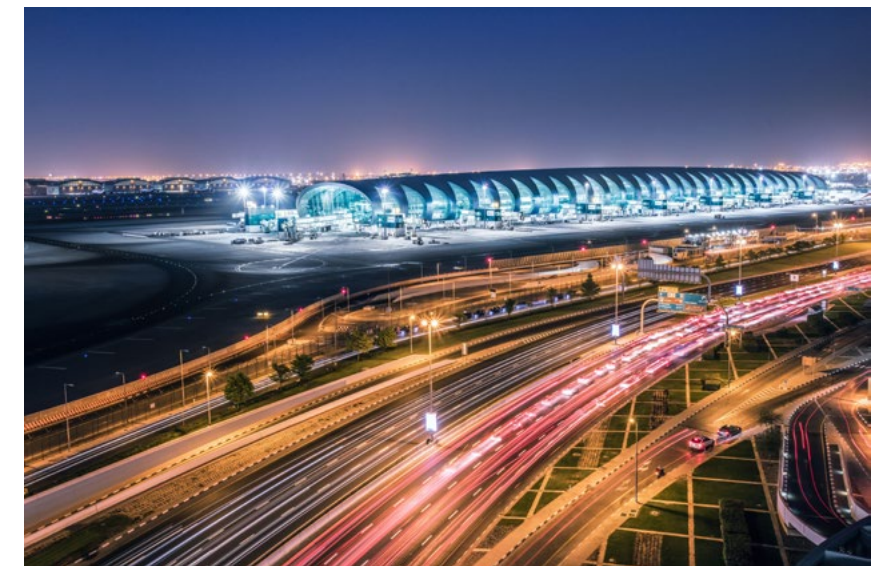
48,000 RT

Capacity for which contracts were awarded for the development of a new generation district cooling plant and the expansion of the cooling pipeline network in the Jumeirah area

EMPOWER's Strategic Expansion: Servicing Dubai International Airport

Becoming Dubai International Airport's district cooling services provider marked a significant milestone in the Company's operational expansion and strategic initiatives. Operating with a combined capacity of 110,000 refrigeration tons, valued at AED 1.1 billion, this move integrated five district cooling plants into EMPOWER's extensive network. This strategic acquisition extended EMPOWER's portfolio to include Dubai's largest and most iconic projects and signified a pivotal role in supporting the Emirate's urban development and sustainability goals.

The successful integration of the Dubai International Airport's district cooling systems underlined EMPOWER's commitment to environmental stewardship and its capacity to deliver high-quality, energy-efficient cooling solutions on a grand scale. With a capacity equivalent to 11 times the consumption of the Burj Khalifa, this corporate action exemplified EMPOWER's leadership in the district cooling industry and its dedication to enhancing the efficiency and sustainability of Dubai's infrastructure.



Strategic Expansion in Jumeirah: Enhancing Manufactured Capital

During FY2023, EMPOWER significantly enhanced its manufactured capital by strategically awarding contracts to develop a new generation district cooling plant and expand the cooling pipeline network in the prestigious Jumeirah Beach Hills area. This initiative aims to support the cooling needs of iconic developments, including Burj Al Arab, Jumeirah Beach Hotel, and the newly introduced Marsa Al Arab, further solidifying Dubai's status as a global residential and tourist hub.

The construction of the Jumeirah Beach Hills district cooling plant, set to commence operations by the third quarter of 2024, is underway, promising a total cooling capacity of 48,000 refrigeration tons (RT). Designed in harmony with Jumeirah's aesthetic and architectural identity, the plant embodies the principles of sustainable green buildings and modern urban development, aligning with Dubai's vision for environmental sustainability. The parallel expansion of the distribution pipeline network, utilising the latest innovative technologies, underscores EMPOWER's commitment to infrastructure development that meets the growing demand for district cooling services in Dubai's booming commercial and residential sectors.

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Advancements in Manufactured Capital: EMPOWER’s Za’abeel Plant Achieves LEED Gold Certification

The LEED Gold certification awarded to EMPOWER’s Za’abeel District Cooling Plant by the United States Green Building Council represents a milestone in enhancing manufactured capital within the sustainable infrastructure sector. This certification is a testament to the plant’s design and operational alignment with the Leadership in Energy and Environmental Design (LEED) standards, showcasing EMPOWER’s investment in sustainable practices. Incorporating Thermal Energy Storage (TES) and Treated Sewage Effluent (TSE) technologies exemplifies the plant’s innovative approach to energy conservation and water use efficiency. It contributes to reducing the carbon footprint and preserving natural resources.



Our Za’abeel Plant, now LEED Gold certified, showcases our sustainability through pioneering energy and water-efficient technologies, setting a benchmark in the green urban development of Dubai.

The Za’abeel plant stands as a testament to the future of district cooling facilities. It underscores EMPOWER’s strategic commitment to embedding sustainability into its core operations, enhancing the value of its manufactured capital through innovative and eco-friendly solutions. This initiative aligns with Dubai’s ambitious vision for green urban development and sets a precedent for integrating green building standards across the district cooling industry.

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Strategic Partnership Between EMPOWER and Dubai Maritime City

In 2023, EMPOWER successfully concluded an agreement with Dubai Maritime City (DMC) to provide its world-class district cooling services to the DMC real estate project, marking a significant expansion. This collaboration aimed to supply over 63,000 Refrigeration Tonnes (RT) of cooling energy to more than 43 buildings within DMC, reflecting the Company’s commitment to environmental sustainability and energy efficiency. By implementing this project in two phases, EMPOWER demonstrated its advanced technological prowess and capability to support Dubai’s vision for sustainable urban development. The initiative underscored the Company’s dedication to reducing electricity consumption significantly, creating a greener economy and supporting the national innovation and sustainable development strategy.

>63k_{RT}

Capacity to serve DMC in FY2023

EMPOWER’s Strategic Partnership with Sobha Realty for Sustainable District Cooling



In March 2023, EMPOWER forged a significant agreement with Sobha Realty, marking a pivotal addition to its portfolio by providing district cooling services to the Sobha Hartland development, with 17,000 Refrigeration Tonnes (RT) capacity. This collaboration underscores EMPOWER’s capability and commitment to offering environmentally friendly district cooling solutions, aligning with its strategic objectives to support the Emirate’s sustainability goals and carbon reduction directives. By extending its district cooling network from the Meydan plant, EMPOWER is set to enhance the living experience within Sobha Hartland, showcasing its role in promoting energy efficiency and environmental stewardship in Dubai’s real estate sector.

Sobha Hartland, a waterfront community in Mohammed Bin Rashid Al Maktoum City, is distinguished by its access to premier amenities and commitment to sustainable construction. This partnership between EMPOWER and Sobha Realty exemplifies a shared vision for sustainable development, with both entities prioritising eco-friendly practices, materials, and technologies. Through this initiative, EMPOWER continues to expand its influence as the world’s largest district cooling services provider, demonstrating its dedication to innovation efficiency and supporting Dubai’s journey towards a green economy and net-zero carbon emissions.

Our strategic partnerships with Dubai Maritime City and Sobha Realty underline a significant push towards sustainable urban cooling, to service over 80,000 RT.

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AED 193 million

invested in the advanced District Cooling Plant in Dubailand

>47k RT

Capacity of the new district cooling plant in Dubailand launched in FY2023

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Commencement of EMPOWER’s Advanced District Cooling Plant in Dubailand

EMPOWER marked a significant milestone in April 2023 with the operational launch of its new district cooling plant in Dubailand, boasting a substantial cooling capacity of 47,000 Refrigeration Tons (RT). This state-of-the-art facility is set to deliver cooling services to over 250 mixed-use buildings within the Dubai Land Residence Complex (DLRC), enhancing the quality of life for residents through efficient and environmentally friendly cooling solutions. Completing this plant in a record time of one year, with an investment of AED 193 million, underscores EMPOWER’s commitment to deploying advanced technologies and adhering to international standards in its operations.

This development is a testament to EMPOWER’s dedication to expanding its service offerings and asset portfolio in Dubai, reflecting its strategy to increase service quality and competitiveness. The plant’s inauguration aligns with EMPOWER’s core mission to support Dubai’s economy, contribute to sustainable development, and reduce carbon emissions following the vision of His Highness Sheikh Mohammed bin Rashid Al Maktoum. Through this initiative, EMPOWER reaffirms its role as a key player in promoting environmental sustainability and resource conservation in the Emirate’s rapidly growing residential sectors.



EMPOWER’s District Cooling Integration with ANWA Tower

EMPOWER completed the integration of ANWA, the pinnacle of architectural design in Dubai Maritime City, into its district cooling network. This achievement marks a significant milestone in EMPOWER’s ongoing expansion within Dubai, reflecting the Company’s commitment to providing sustainable and efficient cooling solutions across the city. ANWA, the tallest tower in Dubai Maritime City, developed by Omniyat Group, now benefits from a dedicated cooling capacity of 1,260 Refrigeration Tons (RT), underscoring EMPOWER’s role in enhancing the urban landscape with environmentally friendly services.

This development follows the strategic agreement with Dubai Maritime City to supply over 43 buildings with district cooling services, a testament to the growing demand for energy-efficient cooling solutions among real estate developers.

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Strategic Modernisation of the JBR District Cooling Plant

During the fiscal period, EMPOWER launched an AED 102 million modernisation project for the Jumeirah Beach Residence (JBR) district cooling plant. This initiative, set to be completed by 2025, marks the third significant upgrade since the plant’s inception, incorporating advanced technologies to bolster energy efficiency and service reliability. The JBR plant, servicing 76 towers, 9,000 residences, and 2,000 hotel units, has undergone successive modernisation, including cutting-edge technologies to improve the energy efficiency and reliability of the cooling system. This latest upgrade focuses on enhancing cooling tower operations, underscoring EMPOWER’s commitment to sustainable development and its strategy to reduce carbon emissions and energy consumption.



EMPOWER’s Contribution to Sustainable Hospitality in Dubai

During FY2023, EMPOWER underscored its pivotal role in bolstering the hospitality sector’s sustainability efforts by providing environmentally friendly district cooling services to 21% of hotels and hotel apartments in Dubai, a notable increase from 17% in the previous years. The growth of EMPOWER’s services to the hospitality sector, including adding six luxury hotels to Dubai’s market, four of which will utilise EMPOWER’s district cooling services, exemplifies the Company’s dedication to reducing carbon emissions in Dubai’s prestigious hospitality sector and supporting the Emirate’s aspiration for net zero emissions.

EMPOWER’s engagement with prestigious hotels like Atlantis The Royal, Jumeirah Marsa Al Arab, Siro One Zabeel, and One and Only, alongside its existing services to iconic establishments such as Burj Al Arab and Atlantis The Palm, reflects its effectiveness in enhancing environmental sustainability within the hospitality industry. By adopting district cooling systems, hotels contribute to reducing greenhouse gases and align with Dubai’s strategy to measure and reduce carbon footprints, promoting a shift towards a green economy and achieving sustainable development goals.



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Advancing Manufactured Capital Through Innovation: Securing Water Sustainability for Tomorrow



Our commitment to sustainability is embedded in every facet of our operations. We harness the power of innovation to meet today's needs and pave the way for a more efficient, responsible, and sustainable tomorrow. Empower has initiated construction of reverse osmosis plants last year in its existing district cooling plants. Reverse osmosis (RO) plays a pivotal role in enhancing the sustainability and efficiency of district cooling companies by purifying and recycling water used in cooling processes. This advanced water purification technology ensures that the water circulating within the cooling systems is free from contaminants, reducing the overall consumption of fresh water and lowering operating costs by minimising the need for water procurement and discharge. The environmental footprint of district cooling operations is also significantly lessened as the strain on freshwater resources and the volume of wastewater requiring treatment are reduced. Additionally, the consistent water quality maintained by RO systems is essential for the optimal operation of cooling systems, contributing to more effective heat exchange, prevention of scale and corrosion, and extended equipment longevity. The implementation of RO technology thus aligns with stringent environmental regulations and positions district cooling companies at the forefront of ecological stewardship and operational excellence.

EMPOWER's initiation of reverse osmosis plants in its district cooling operations is a strategic move towards rationalising freshwater consumption, dovetailing with the Dubai Demand Side Management Strategy's target of a 30% water usage reduction by 2030. This endeavour is a testament to EMPOWER's commitment to expanding its operational footprint in Dubai and modernising and developing its infrastructure and technical workforce in line with future-oriented sustainability goals. With a target towards a 30% reduction in water consumption by 2030, EMPOWER echoes its deep-seated pledge to sustainability. The overarching aim of this initiative is to meet the escalating demand for the Company's services. This demand spans individuals, institutions, and commercial entities, with efficient, responsible resource management at the core of this growth trajectory.

Our investment in reverse osmosis technology at its district cooling plants marks a strategic commitment to water sustainability, aiming for a 30% reduction in consumption by 2030, in line with Dubai's ecological goals.

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Advancing District Cooling: Technological Frontiers and Collaborative Strides

In February 2023, EMPOWER convened its inaugural consultant meeting, signifying a pivotal moment for sharing advancements and operational enhancements within the district cooling sector. This gathering was instrumental in showcasing EMPOWER's latest technological advancements in chilled water production and distribution, underpinning the Company's dedication to elevating the standards of district cooling services. EMPOWER's leadership team took this opportunity to elucidate the sustainable business model it has cultivated, incorporating both national and international expertise to foster a robust, sustainable ecosystem for district cooling.

The dialogue with consultants revolved around innovative ideas, encountered challenges, and potential opportunities, reflecting EMPOWER's proactive approach to incorporating modern technologies. This strategy aims to ensure reliability and sustainability across all aspects of district cooling and to set new benchmarks that surpass global standards. A field tour to the Dubai Healthcare City District Cooling Plant further illustrated EMPOWER's success in delivering environmentally sustainable cooling solutions aligned with the nation's green economy aspirations.



EMPOWER's inaugural consultant meeting in February 2023 underscored a commitment to innovation and collaboration in district cooling, showcasing technological strides and a sustainable model aligned with global standards and green economy goals.

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Our dual Gold Awards at the Golden Bridge Business and Innovation Awards 2022 highlight our leadership in sustainability and innovation within the district cooling industry, marking significant contributions to energy efficiency and global adoption.

Global Influence: EMPOWER at ASHRAE 2023

EMPOWER’s participation in the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) Conference and Expo 2023 marked a significant milestone in its continuous effort to champion global energy efficiency and sustainable development. As the world’s largest district cooling services provider, EMPOWER showcased its commitment to advancing the industry through innovation and collaboration.

The ASHRAE Conference 2023 served as a platform for professional development, featuring an array of dialogue sessions, panel discussions, training, educational workshops, and specialised seminars. These events facilitated the exchange of knowledge and expertise among international delegations, reinforcing EMPOWER’s role in fostering global partnerships

Achievements in Innovation and Sustainability: EMPOWER’s Golden Bridge Awards Success

(GRI 302-4, UNSDG 7, 9, 13)

In 2023, EMPOWER distinguished itself by securing two prestigious Gold Awards at the annual Golden Bridge Business and Innovation Awards 2022, a testament to its leading position in the energy and utilities sector. This accolade was in recognition of EMPOWER’s substantial contributions to the district cooling industry, characterised by its innovative approach to sustainability and operational excellence. The awards celebrated the Company’s commitment to enhancing the sector’s standards through scientific and practical innovations, significantly advancing the adoption of district cooling globally.

EMPOWER’s recognition as the ‘Company of the Year’ in the Energy and Utilities category underscored its success in implementing advanced technologies, such as Thermal Energy Storage (TES) systems and a sophisticated SCADA system for efficient energy usage and operational oversight. These innovations have enabled EMPOWER to achieve remarkable energy savings and contribute to protecting natural resources, aligning with the broader goal of fostering a sustainable future with a diversified economy and zero carbon emissions. The Company’s achievements in this area motivate its teams to continue driving qualitative differences in the cooling industry and for decision-makers to embrace more integrated green practices.



UNSDG

9 INDUSTRY INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

GRI

302, 303

EMPOWER’s distinction with two gold awards at IDEA 2023 for its contributions to the global district cooling sector exemplifies its commitment to innovation, efficiency, and sustainability.

EMPOWER’s Manufactured Capital Achievements Recognised at IDEA 2023



EMPOWER’s significant achievement in winning two gold awards at the International District Energy Association (IDEA) Annual Conference 2023 underscores the Company’s leading role in enhancing the manufactured capital within the global district cooling sector. The accolades in the categories of ‘Total Number of Buildings Committed’ and ‘Total Building Area Committed’ mark a continuation of EMPOWER’s excellence, previously recognised with similar awards in years past. These awards are a testament to EMPOWER’s innovative contributions to developing district cooling infrastructure and its commitment to raising the standards of efficiency and sustainability in the industry.

The recognition at IDEA 2023 reflects an international acknowledgement of the United Arab Emirates, particularly Dubai’s strategic foresight in early investments in district cooling, establishing the Emirate as a global leader in this vital sector. EMPOWER’s dedication to advancing district cooling through state-of-the-art technologies and practices has significantly contributed to its stature as the world’s largest district cooling services provider. This commitment encompasses the expansion of district cooling systems. It embodies the Company’s efforts to employ fourth-revolution techniques in production, operation, distribution, and customer service to surpass international standards and meet the growing demand for sustainable cooling solutions.

Human Capital:

Encouraging Diversity, Safety, and Excellence



At EMPOWER, our commitment to human capital is foundational to our success and leadership in the district cooling sector. We pride ourselves on fostering a workplace that champions diversity, encourages professional growth, ensures safety, and celebrates achievements. Our approach to human capital is holistic, aiming to nurture a vibrant, inclusive, and productive environment for all our employees.

Our approach to advancing employee well-being and compliance is a testament to our belief that a safe, knowledgeable, and well-prepared workforce is the foundation of operational excellence and sustainable growth. Through comprehensive training we not only enhance our employees' capabilities but also contribute to the broader goals of environmental stewardship and corporate sustainability. Our efforts in the past year have solidified our leadership position in fostering a safe, responsible, and inclusive workplace.

Our Human Capital Priorities



Education and Skills: Development: Enhancing access to quality education and vocational training for all, ensuring that individuals can compete in a rapidly changing job market.



Flexible Work Arrangements: Encouraging flexible work schedules, remote work, and work-life balance to meet the needs of a diverse workforce and increase job satisfaction and productivity.



Health and Well-being: Investing in healthcare and wellness programs to ensure that the workforce is healthy, thereby improving productivity and reducing absenteeism.



Social Protection and Benefits: Providing social security, retirement benefits, and other forms of support to ensure that workers are protected against unemployment, disability, and old age.



Workplace Safety and Protection: Implementing policies and practices that ensure safe working conditions to protect workers from occupational hazards and accidents.



Career Pathways and Progression: Creating clear career pathways and opportunities for advancement to motivate and retain talented individuals.



Diversity and Inclusion: Promoting diversity, equity, and inclusion in the workplace to harness the benefits of a diverse workforce, including different perspectives, innovation, and improved problem-solving.



Entrepreneurship and Innovation Support: Fostering an environment that supports entrepreneurship and innovation, including access to finance, mentoring, and networks.



Technology and Digital Literacy: Equipping the workforce with digital skills and access to technology to navigate the digital economy effectively.



Environmental Sustainability: Encouraging practices that contribute to environmental sustainability, preparing workers for green jobs, and promoting corporate responsibility.

UNSDG:



Strategic Pillars:



Business Model Elements:



Material Issue Surveyed

10, 11 & 12

GRI

203-1, 203-2, 401-1, 402-1, 403-1, 403-2, 403-7, 404-2, 404-3, 405-1 & 405-1

UNSDG

GRI

405-1

UNSDG

GRI

401-1

27

Number of Countries represented, fostering a global work culture.

93.1 %

Employee Retention Rate for FY2023.

UNSDG

GRI

405-1

Embracing Multiculturalism and Equal Opportunity

EMPOWER’s commitment to diversity and inclusion has been integral to its human capital strategy. The organisation’s approach to recruitment, focused on skill and qualification, resulted in a vibrant multicultural workforce, representing 27 nations across various continents. This diversity has catalysed introducing a rich tapestry of cultures, experiences, and perspectives, contributing to a dynamic work environment where innovation thrives. EMPOWER has steadfastly maintained a work culture that values individuality and cultural diversity, pivotal in driving competitive success and employee satisfaction.

Retention and Turnover Rates: Sustaining a Committed Workforce

In 2023, EMPOWER’s turnover rate was 6.9%, with a retention rate of 93.1%. The organisation’s retention strategy incorporated comprehensive performance reviews, professional development opportunities, and an engaging onboarding experience. Additional benefits, such as flexible working arrangements, educational leave, and a transparent appraisal process, underpinned its commitment to employee satisfaction. Exit interviews provided valuable insights into departure reasons, informing continuous improvement in workplace policies.

The average tenure of employees in FY2023 stood at 6.9 years, illustrating the organisation’s ability to retain talent and offer a stable and nurturing work environment. This tenure reflects the collective expertise within EMPOWER, highlighting a culture of loyalty and deep-seated organisational knowledge.

EMPOWER boasts an impressive 93.1% retention rate in 2023, underscoring our unwavering commitment to a stable and satisfied workforce. Concurrently, we are dedicated to achieving balance, persistently striving to bolster gender representation within our leadership roles.

6.9%

Turnover Rate for FY2023

Gender and Ethnic Diversity Statistics: Advancing Gender Equality and Ethnic Representation

EMPOWER has achieved significant strides in gender equality, with equal recruitment, training, and promotion opportunities. In 2023, the managerial staff comprised 86% male and 14% female employees, reflecting ongoing efforts to balance gender representation in leadership roles. The company recognises the value of long-term service, with some employees’ tenure extending to 19 years, showcasing the firm’s egalitarian ethos.

UNSDG

GRI

203-1

Hiring Local Nationals: Supporting National Workforce Development

EMPOWER’s strategy to integrate UAE nationals into its workforce included attractive allowances, recognition of prior service for pension benefits, and sponsorship for higher education. With active participation in career fairs, collaborations with universities for student training, and a specialised training scheme for UAE national graduates, the Company bolstered its national workforce, with UAE nationals comprising 33% of its office staff.

During FY2023, we saw a sustained commitment to gender balance, with women representing 44% of our Emirati workforce in 2023. The drive to attract qualified national experts remained a cornerstone of our strategy, furthering their vital contribution to economic progress within the critical district cooling sector.

In line with the strategic directives of the UAE’s visionary leadership, EMPOWER continued its commitment to Emiratisation, achieving a significant increase in the representation of national citizens in senior management roles reaching 45% in FY2023. This approach has been crucial for the sustained, comprehensive development of the region, focusing on nurturing the youth’s potential to maintain the nation’s esteemed position on global indices. The advancement in Emiratisation reflects EMPOWER’s strategic intent to invest in local talent as key contributors to the country’s progressive and dynamic evolution.



UNSDG

5 GENDER EQUALITY

GRI

405-1

Encouraging Emirati Women in EMPOWER’s Operations

On Emirati Women’s Day, celebrated under the theme “We Collaborate for Tomorrow,” EMPOWER highlighted the significant contributions of Emirati women within its operations, marking a notable advancement in human capital. This particular day reflects the nation’s journey towards Encouraging women, a vision cultivated since the late Sheikh Zayed bin Sultan Al Nahyan era. EMPOWER showcased how Emirati women have taken pivotal roles in supervising and controlling production and distribution operations from the Company’s Command Control Center (CCC), underscoring their creativity and dedication in performing their tasks.

With over 62% of EMPOWER’s total female workforce comprising Emirati women, their representation spans various levels and functions within the Company, embodying women’s progress and prestigious status over the decades. This achievement is a testament to the UAE’s commitment to gender balance and equality, supported by the wise leadership’s dedication to enhancing the role of women in all sectors of society. EMPOWER’s celebration of Emirati Women’s Day underscores the organisation’s pride in its female workforce and its commitment to fostering a work environment that supports gender balance, attracts top national talents, and prepares them for leadership roles in the vital district cooling industry. This approach aligns with the UAE’s strategic direction to empower women and ensure their active participation in driving the nation’s economic development.

86:14

Gender diversity managerial staff with 86% male and 14% female representation.

33%

UAE nationals constitute 33% of our office staff, reflecting our support for local talent development.

62%

Over 61% of our female workforce are Emirati, showcasing our dedication to Encouraging women.



UNSDG

4 QUALITY EDUCATION

GRI

404-2

Enhancing Operational Synergy through Training: Intern-Driven Process Optimization



In the past year, EMPOWER’s interns from the BSS programme successfully collaborated with various departments to revise and document processes, fostering an environment of continuous improvement. They diligently worked alongside each section to understand, refine, and establish Service Level Agreements (SLAs) tailored to our unique operational needs. These dedicated interns reached out to our teams, scheduling individual meetings to identify areas for support and integration. Our employees’ cooperation and valuable insights were instrumental in this endeavour’s success. This initiative improved our workflow efficiency and cultivated a culture of knowledge exchange, contributing significantly to our pursuit of operational excellence.

EMPOWER’s interns are at the forefront of driving operational synergy, their collaboration across departments catalysing a culture of continuous improvement and efficiency. Simultaneously, our unwavering commitment to safety underscores our dedication to safeguarding our workforce and enhancing operational integrity.

Elevating Workplace Safety: EMPOWER’s Comprehensive HSE Strategy

EMPOWER maintains an exemplary safety culture, rigorously enforcing Health and Safety (HSE) protocols. In the past year, we conducted 2,239 HSE site inspections, including 80 for high-risk tasks and 110 detailed hot works inspections. Our proactive approach demonstrates our dedication to the highest safety standards. Most of our inspections (2,049) fall under the ‘Others’ category, addressing various operational scenarios and pre-emptively identifying safety concerns. This comprehensive risk management strategy enhances our operational integrity and workplace efficiency. EMPOWER’s commitment to safety across all levels of our operations solidifies our position as an HSE excellence leader. Our focus on safety aligns with our corporate responsibility and sustainability goals, ensuring the safety and success of our workforce. EMPOWER adopts a comprehensive approach to ensuring safe work systems and has conducted thorough reviews of various Integrated Quality, Health, Safety, and Environment (IQHSE) documents, including Health, Safety, and Environment (HSE) Plans, Management System Risk Assessment (MSRA), Standard Operating Procedures (SOPs), Emergency Preparedness & Response Plans, Environmental Aspect Impact Assessment (EAIA), and others. The Health,

UNSDG

8 DECENT WORK AND ECONOMIC GROWTH

GRI

403-2

UNSDG

GRI

403-2

21

Number of External Training Courses

10

Average Training Hours per Employee

437

Number of employees attending safety courses

167

Number of new employees attending induction sessions

Safety, and Environment (HSE) inspections carried out by EMPOWER take various forms, such as safety tours, site visits, unannounced inspections, and management tours, among others.

Comprehensive Training for Safety and Compliance

In our commitment to fostering a culture of safety and compliance, EMPOWER’s Health, Safety, and Environment (HSE) strategy in the past year was significantly underscored by an extensive training program. This initiative successfully conducted 1,462 training sessions, meticulously designed to cover a wide range of topics including safety protocols, environmental stewardship, and regulatory compliance. Through these sessions, a total of 9,061 individuals received comprehensive training. These sessions, spanning multiple levels of complexity and specialisation, were aimed at equipping our workforce with the necessary skills and knowledge to navigate the challenges of our industry safely and efficiently. By prioritising such extensive training, EMPOWER has reinforced its dedication to upholding the highest workplace safety standards and environmental responsibility. This approach has not only contributed to a significant reduction in workplace incidents but has also fostered a sense of collective responsibility among our employees, further enhancing our reputation as a leader in corporate sustainability and employee welfare. For the fiscal year 2023, EMPOWER’s HSE training totalled 4,127 man-hours. This comprehensive training was delivered in various formats, including classroom instruction, on-the-spot training, Tool Box Talks (TBT), and specialized training programs.

Training Our People: A Year of Growth and Safety

In 2023, EMPOWER significantly advanced its Human Capital through a series of employee development programs, enhancing skills and career progression. Special attention was given to newly joined Emiratis and fresh graduates who were integrated into a comprehensive orientation program. Similarly, expatriates occupying critical positions and those at mid-management levels underwent orientation sessions to facilitate their seamless integration into the Company’s ecosystem.

The organization’s dedication to continuous learning was exemplified by its investment in training hours per employee. Recognizing employees as its core assets, the Company devised policies allowing for unlimited internal and external training opportunities. Each employee was entitled to two training courses per year, with the Company bearing the costs through third-party contracts. With an investment in 21 external training courses, alongside unlimited internal training opportunities, each employee benefitted from an average of 10 training hours, underlining the Company’s dedication to continuous learning.

Ensuring the safety and well-being of its employees was paramount for the organization. Collaborating closely with the QHSE team, the Training section monitored workplace safety standards and devised proactive measures to mitigate risks. Annual assessments guided the preparation of training plans for security and safety courses, with 437 employees benefitting from these initiatives in 2023.

The Training section, in tandem with the Employee Services Department, conducted induction sessions to acclimate new employees to their roles and responsibilities. Additionally, introductory sessions facilitated cross-departmental familiarization, particularly for new hires and expatriates in critical positions. Furthermore, the Company extended its support to students through training programs hosted in collaboration with educational institutions, serving as a testament to its commitment to community service.

Furthermore, EMPOWER hosted 11 induction sessions for 167 new employees, fostering a smooth transition and integration into the Company culture. Leadership training programmes were also planned, targeting three leadership

UNSDG

GRI

404-2

1,462

Training sessions conducted, covering safety, environmental, and compliance topics.

9,061

Individuals participated in trainings, highlighting our substantial investment in human capital.

UNSDG

GRI

403-1

levels, emphasizing the Company’s commitment to nurturing future leaders despite previous delays due to the global health crisis.

Encouraging Employees Through HSE Education

During the year, 9,061 individuals benefited from these training programs, representing a substantial investment in our human capital. This not only demonstrates our unwavering commitment to ensuring the health and safety of our employees but also aligns with our broader objectives of enhancing operational excellence and fostering a proactive safety culture within the organisation. The comprehensive nature of these sessions—ranging from basic safety orientations to advanced risk management workshops—ensured that all participants, regardless of their role within the Company, were well-versed in HSE best practices and regulatory compliance.

Investing in our employees’ safety and knowledge is investing in EMPOWER’s future. Recognising our employees’ dedication and hard work is fundamental to our identity and success.

3,901

HSE document reviews were conducted, ensuring compliance and operational safety.

1,295

Management System Risk Assessments reviewed, reflecting our proactive risk management efforts.

Rigorous HSE Documentation: A Pillar of EMPOWER’s ESG Excellence

EMPOWER’s adherence to Environmental, Social, and Governance (ESG) principles was further exemplified through our rigorous Health, Safety, and Environment (HSE) document review process over the past year. Our comprehensive evaluation covered a broad spectrum of documentation for maintaining operational safety, environmental compliance, and overall corporate governance. A total of 3901 document reviews were conducted, encapsulating our proactive approach to risk management and regulatory adherence. This dedication to continuous ESG improvement reinforces our leadership in promoting a safe and sustainable operational culture.



UNSDG



GRI

403-7

Management System Risk Assessments: Enhancing Safety Standards

At EMPOWER, Management System Risk Assessments (MS RA) underwent 1295 reviews during FY2023, reflecting our systematic approach to identifying and mitigating operational risks. Additionally, 2272 reviews were allocated to a diverse range of other critical documents, ensuring comprehensive coverage of all aspects of our HSE framework.

Employee Engagement: Fostering a Fulfilling Work Environment

EMPOWER’s engagement strategy involved direct communication between the CEO and employees, addressing feedback, and implementing suggestions. The organisation celebrated cultural events, recognised personal milestones, and conducted satisfaction surveys to ensure a fulfilling work experience. Initiatives such as pension workshops for UAE nationals and celebration events fostered a cohesive community within the Company.

Terrazzo Art Workshop: Celebrating Women’s Empowerment

A pivotal event during the first quarter of FY2023 was the “International Women’s Day & Mother’s Day Celebrated at Terrazzo Art Workshop,” showcasing EMPOWER’s active engagement in fostering diversity and supporting women in the workplace. The Terrazzo Art Workshop was a flagship initiative in partnership with the Dubai Club for People of Determination. This event underlined EMPOWER’s commitment to inclusive practices by involving 25 female employees in a creative and collaborative environment. The workshop, led by women from the Dubai Club for People of Determination, not only supported the artistic expression but also highlighted the importance of including people of determination. This workshop served as a platform to honour the significant contributions of women within EMPOWER and the broader community, resonating with the Company’s ethos of empowerment and inclusivity. Such initiatives reflect EMPOWER’s broader mission to contribute positively to societal development and to support its employees’ personal growth and well-being.



Enhancing Human and Social Capitals through Blood Donation Drive

EMPOWER demonstrated its strong commitment to social and humanitarian responsibilities by organising a blood donation campaign in alignment with World Blood Donor Day, underpinning its dedication to fostering a culture of volunteering and solidarity. This initiative not only highlights the Company’s role in promoting community health and welfare but also strengthens the bonds among its employees, reinforcing their sense of belonging and contribution to society. This year’s World Blood Donor Day theme, ‘Give blood, give plasma, share life, share often,’ served as a rallying call for EMPOWER’s workforce to participate actively in this life-saving act of kindness.

The campaign aimed to bolster the World Health Organization’s goals of building a cohesive society grounded in shared human values, successfully engaging many of EMPOWER’s employees as blood donors. By providing meals to donors, EMPOWER ensured their well-being, emphasising the importance of nutritional care post-donation. This act of generosity not only underscores EMPOWER’s investment in human capital but also contributes to the social capital by enhancing public awareness about the importance of regular blood donations to ensure the availability of quality blood for patients in need.

EMPOWER’s sustained focus on blood donation campaigns, especially during critical times such as the COVID-19 pandemic, reflects its deep-rooted belief

in the vital role of blood donation in saving lives and benefiting the broader community. Through partnerships with key healthcare organisations, EMPOWER has been at the forefront of supporting health initiatives, showcasing its long-standing dedication to enriching Human and Social Capitals, and reinforcing its position as a socially responsible corporate citizen.

Our rigorous risk assessments, employee engagement, blood donation drive, and annual recognition gala exemplify our commitment to safety, community, and a positive work environment.

Our Commitment to Human Capital: Annual Recognition Gala

At its annual gala dinner, EMPOWER showcased its commitment to human capital, emphasising its dedication to creating a positive work environment and fostering open communication among its staff. This celebratory event, attended by senior management and around 1,000 employees, was a platform for recognising team members who have contributed 5, 10, and 15 years of service, underscoring their pivotal role in EMPOWER’s achievements and leadership in the district cooling sector.

The gala highlighted the employees as the organisation’s most precious asset and reflected EMPOWER’s culture of transparency, empowerment, and appreciation. Celebrating these milestones, the event underscored the significance of collective effort in realising the vision set by Dubai’s leadership, reinforcing the message that the successes and leadership position EMPOWER enjoys globally in the district cooling industry is directly attributable to the dedication and professionalism of its workforce.

UNSDG



GRI

404-3



Relationship & Social Capital:

Enabling an Urban Green-Cooling Revolution

At EMPOWER, we are dedicated to driving the future of sustainable urban cooling in Dubai, aligning with the vision of a greener, digitally advanced, and community-oriented society. Our commitment to environmental stewardship and our pursuit of innovative cooling technologies position us as a key player in reducing the carbon footprint and enhancing the energy efficiency of the city's cooling systems.

Through strategic stakeholder engagement, we aim to meet and exceed our community's and stakeholders' expectations, fostering a culture of sustainability, innovation, and inclusive growth that supports the UAE's journey towards sustainability and technological excellence.



UNSDG:



Strategic Pillars:



Business Model Elements:



Material Issue Surveyed

2, 7 & 9

GRI

102-40, 102-43, 102-44, 203-1, 203-2, 302-1, 305-1, 305-5, 306-2, 306-3, 404-1 & 404-3

Stakeholder Type	Employees	
Engagement Methods	Strategic Priorities	EMPOWER's Response
Digital platforms, leadership programs, direct communication, and recognition events.	Innovation culture, diversity and inclusion, safety and wellness, skill development, and career progression.	EMPOWER fosters a diverse and inclusive workplace, prioritizing employee well-being, safety, and professional growth. Initiatives include comprehensive training programs, a strong emphasis on health and safety protocols, and digital upskilling to navigate the evolving district cooling sector. Through regular engagement and recognition events, EMPOWER celebrates achievements, facilitating a culture where innovation thrives, and every employee feels valued and empowered to contribute to sustainable development and operational excellence.

Stakeholder Type	Customers	
Engagement Methods	Strategic Priorities	EMPOWER's Response
Digital channels, feedback surveys, branding exercises, customer service enhancements, forums, and conferences.	Seamless Digital Experience, Proactive Service Response, Green Cooling Solutions.	EMPOWER commits to revolutionizing customer service by enhancing digital platforms for a seamless experience, enabling staff with digital proficiency for proactive service, and prioritizing sustainable cooling solutions. Through active engagement in forums and conferences, EMPOWER seeks direct customer feedback to continuously refine and adapt its services, aligning with environmental sustainability and superior customer satisfaction.

Stakeholder Type	Regulators	
Engagement Methods	Strategic Priorities	EMPOWER's Response
Regular meetings, policy forums, supervisory engagements, forums, and conferences.	Regulatory Compliance, Sustainability Commitment, Technological Innovation, Energy Efficiency, Stakeholder Collaboration.	EMPOWER enhances its engagement with regulators through dynamic and strategic interactions, incorporating digital platforms to align closely with evolving regulatory landscapes. This proactive approach includes utilizing sophisticated digital tools for compliance and risk management, ensuring EMPOWER not only meets but exceeds regulatory standards. The focus extends to pioneering energy-efficient technologies and fostering collaborations, demonstrating leadership in sustainability and innovation, ultimately driving a more effective regulatory partnership and contributing significantly to national climate goals.

Stakeholder Type	Shareholders & Investors	
Engagement Methods	Strategic Priorities	EMPOWER's Response
AGMs, emails, conference calls, corporate access through sell-side brokers, investor days, and interactive digital platforms.	Shareholder value, sustainability reporting, governance.	EMPOWER leverages a comprehensive digital engagement strategy, encompassing interactive sessions, augmented disclosures on financial and sustainability performance, and governance practices. Information on sustainability efforts is prominently featured on digital platforms, enhancing transparency, building shareholder trust, and underlining the Company's dedication to sustainability and responsible governance.

Stakeholder Type	Society	
Engagement Methods	Strategic Priorities	EMPOWER's Response
Community initiatives, educational programs, environmental campaigns, and inclusive workforce practices.	Enhancing diversity and inclusion within the workforce; Promoting gender equality and empowerment; Supporting community-driven sustainability efforts.	EMPOWER showcases a diverse and inclusive workforce, with significant representation across management and operational levels, focusing on enabling women and Emirati nationals through dedicated training and mentoring. The Company has positively impacted over 132,000 customers through energy-saving campaigns and investments in sustainable cooling technologies, contributing to reduced power consumption and supporting societal development. EMPOWER's extensive CSR activities, including health and wellness partnerships, cultural and environmental campaigns, and support for people with disabilities, underscore its commitment to enriching social capital and fostering sustainable partnerships.

Methods of Stakeholder Engagement



Employees: Employee engagement is fundamental to our success at EMPOWER, and we invest in various initiatives to foster a positive and inclusive work environment. We conduct engagement surveys to understand employee sentiment and communicate transparently through executive leadership channels. Our learning programs and business resource groups encourage continuous development and collaboration. Additionally, inclusion councils drive diversity initiatives, while performance and development programs support career growth. Our corporate landing page serves as a hub for employee resources and communication.

team regularly meets with regulators, facilitated by our regulatory and government affairs teams. We actively participate in regulator-sponsored events and initiatives to support industry dialogue and uphold regulatory expectations.



Shareholders & Investors: Our engagement with shareholders at EMPOWER is structured to ensure transparency and alignment with their interests. We conduct annual shareholder meetings, and actively engage in investor conferences and presentations. Additionally, shareholders can access our investor relations team and executive management for meetings and inquiries. We maintain regulatory compliance through timely filings and provide comprehensive information via our dedicated investor relations website.



Customers: At EMPOWER, we prioritize understanding and meeting the needs of our customers through various engagement channels. These include conducting focus groups, gathering insights through branch interactions and phone calls, and regularly soliciting feedback through satisfaction surveys. We also leverage social media platforms for interaction and maintain a responsive customer helpline and corporate website to address inquiries and concerns promptly.



Communities (Society): EMPOWER is committed to supporting the communities where we operate, striving to make a positive impact through various engagement initiatives. We conduct community needs surveys and assessments to identify support areas, and our outreach programs aim to support residents with knowledge and resources. We actively contribute to community development through philanthropic investments, civic memberships, and volunteerism. We also engage with non-profit organizations through board memberships and partnerships, demonstrating our commitment to social responsibility. Comprehensive information on our community engagement efforts is available on our corporate website.



Regulators: Maintaining regulatory compliance and fostering constructive relationships with regulators are paramount for EMPOWER. We undergo regulatory exams and participate in continuous monitoring processes to ensure adherence to industry standards and legal requirements. Our senior management

Our Employees – the backbone of our Company

At EMPOWER, employees are central to our mission of innovating in district cooling with sustainability at the core. We engage them through platforms that foster dialogue, collaboration, and a culture conducive to growth and innovation. Regular senior-led meetings and a digital hub for idea sharing promote transparency and collective goal alignment.

Our strategy focuses on safety and compliance, learning in sustainable practices, innovation in cooling solutions, and merit-based growth, believing a motivated workforce drives sustainable success and service excellence. We offer comprehensive training in ethical and environmental practices, support career development, and prioritize well-being and safety, including during health crises.

We also emphasize digital and technical training to keep pace with industry advancements, ensuring our team's readiness for future challenges. This approach aligns with GRI standards and UNSDG Goals 4 and 8, underlining our commitment to employee development, sustainable growth, and community support. To know more, read our Chapter on Human Capital on *Pages 76 – 85*.

Our employees are the cornerstone of EMPOWER, driving innovation and sustainability in district cooling. Through transparent communication, training in ethical practices, and a focus on well-being, we foster a culture of growth and excellence, aligned with global sustainability goals.



Our Customers – our no.1 focus.

At EMPOWER, our clients' satisfaction and environmental sustainability are core to our operations. We engage through multiple platforms to ensure the highest quality of service in district cooling solutions, aligning our efforts with sustainability and technological innovation. Our team is trained to offer personalized, eco-efficient solutions, foster strong relationships, and understand client needs through feedback and direct communication. This approach helps us tailor our services for maximum efficiency and minimal environmental impact, underlining our dedication to sustainability and client satisfaction.

We have enhanced our grievance resolution process, ensuring quick and effective handling of any concerns, with a focus on transparency and fairness. Digital channels play a significant role, offering clients easy access to our services and support. Our commitment extends to continuous improvement through digital innovation and responsive service, aiming to exceed expectations while contributing to sustainable urban development.

Aligning with GRI standards GRI 102-40, GRI 102-43, GRI 102-44, and UNSDG Goals 11 and 17, we prioritize community engagement and partnerships for sustainable cities and communities, demonstrating our commitment to creating a sustainable future with and for our clients.





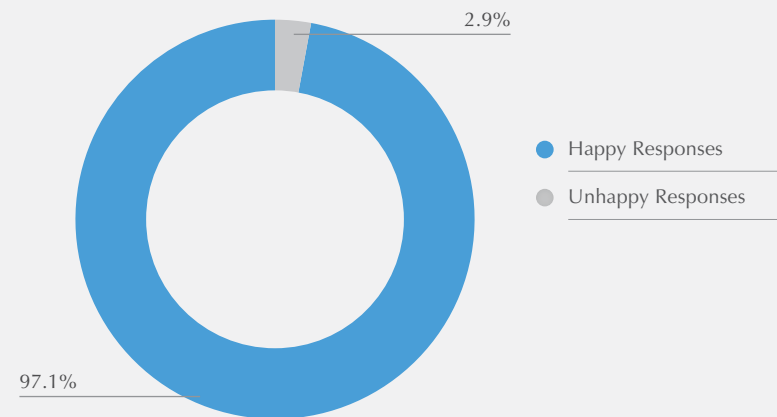
Customer Feedback

Customer feedback is an invaluable facet of our Relationship Capital, providing us with direct insights into the efficacy of our services and the satisfaction of those we serve. Our latest analysis, conducted during FY2023 reveals a commendable 97.1% customer happiness rate, surpassing the threshold set at 85%. This reflects a robust approval of our operations, specifically with Bay Avenue and JBR branches achieving complete customer satisfaction. However, a closer look at specific feedback categories indicates areas for improvement: customer service response time, facilities for customers at the service centre, and staff behaviour and courteousness each received critiques from ~33.3% of the respondents. These insights guide our continuous efforts to enhance our customer service experience and reinforce our commitment to nurturing positive and productive relationships with our customers.

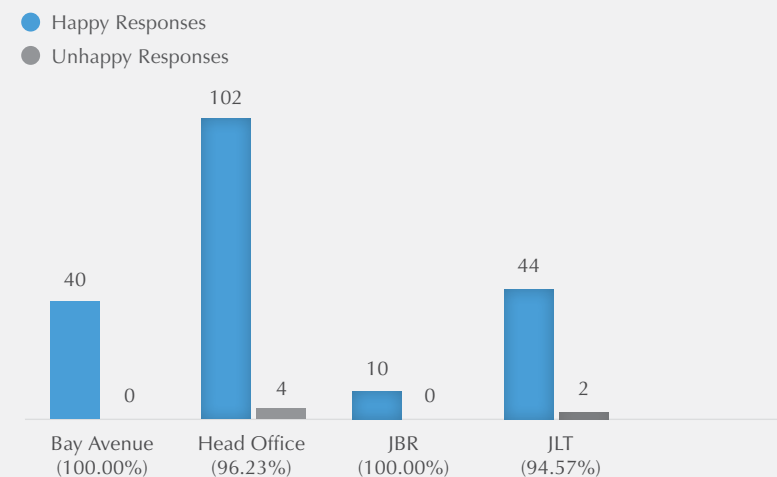
97.1%

Our latest analysis, conducted during FY2023, reveals a commendable 97.1% customer happiness rate, surpassing the threshold set at 85%.

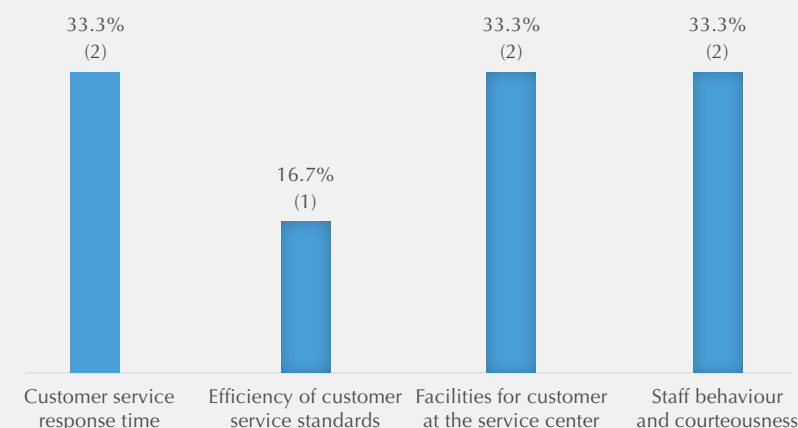
Customer Happiness Distribution Vs. Threshold (85%)



Branch(s) Happiness Analysis Top (5):



What can we improve?



Enhancing Customer Collaboration in District Cooling Innovation

In May 2023, EMPOWER reinforced its industry leadership by convening a pivotal meeting focused solely on customer engagement within the district cooling sector. This initiative underscored the Company's unwavering commitment to transparency and collaborative innovation, offering an in-depth look into district cooling systems' latest advancements and operational efficiencies. The session provided a platform for sharing EMPOWER's achievements in integrating state-of-the-art technologies for optimized chilled water production and distribution, underpinning a sustainable approach that aligns with global standards.

By showcasing eco-friendly technologies and engaging directly with stakeholders, EMPOWER demonstrated leadership in aligning with Dubai's sustainability vision.

Key discussions during the meeting revolved around introducing customers to ground-breaking solutions and the strategic measures EMPOWER has adopted to navigate the complexities and opportunities in modernizing district cooling infrastructure. The event highlighted the Company's proactive strategy in leveraging technology to establish a comprehensive, sustainable cooling ecosystem, showcasing a commitment to environmental stewardship and energy conservation.

A highlight of the engagement was a field tour to the Dubai Healthcare City District Cooling Plant, where customers could witness first-hand the tangible outcomes of EMPOWER's dedication to sustainable and efficient cooling solutions. This tour exemplified the practical implementation of advanced cooling technologies and their role in supporting Dubai's transition to a green economy.

The meeting emphasized the value EMPOWER places on its customer relationships, viewing them as essential partners in driving forward the energy efficiency and sustainability agenda in the cooling industry. By fostering an environment of open dialogue and mutual learning, EMPOWER aims to enhance customer satisfaction and encourage a collective stride towards achieving significant progress in economic, social, and environmental domains.

Strengthening Relationship Capital with Customers through Sustainable Innovation at WETEX 2023

EMPOWER's participation in WETEX 2023 as a strategic sponsor underscored its commitment to strengthening relationship capital with customers by advocating for sustainable district cooling solutions. The exhibition served as an ideal platform for EMPOWER to engage directly with customers, showcasing the latest environmentally friendly technologies and innovations in district cooling. By emphasizing the importance of sustainable real estate development and the benefits of green buildings, EMPOWER reinforced its role as a pioneer in the district cooling sector, aligning with Dubai's sustainability vision and climate change initiatives.

This engagement at WETEX, organized under the theme 'At the forefront of sustainability,' allowed EMPOWER to demonstrate its dedication to environmental protection and energy conservation. EMPOWER's efforts to showcase models of its latest plant rooms built to the highest sustainability standards resonated with customers seeking more sustainable and cost-effective cooling solutions. The direct interaction with customers and stakeholders at the event facilitated a deeper understanding of their needs and preferences, enhancing EMPOWER's relationship capital by reinforcing trust and confidence in its services.





Building Brand Affinity with stakeholders through Marketing & Branding

In FY2023, EMPOWER pursued a comprehensive marketing strategy with clear objectives. Our primary goal was to maintain EMPOWER's position as 'The World's Largest District Cooling Services Provider' through effective communication. We aim to deliver reliable, cost-effective, environmentally friendly, world-class district cooling services. Simultaneously, we sought to create visibility for EMPOWER in government-related initiatives, positioning ourselves as a trusted partner in sustainability and energy-efficient solutions.

For FY2023, promoting District Cooling as the right solution, was a key priority, focusing on increasing awareness of its importance and benefits among communities. We also aimed to diversify our communication channels by contacting new media and mediums while ensuring communities were educated about our business and how to avail of our services. To execute this strategy effectively, we utilized several types of marketing approaches. Digital marketing played a significant role, with a strong presence on social media, our website, and email campaigns. We also prioritized conversational marketing, ensuring we could address customer inquiries and provide support.

EMPOWER pursued a robust marketing strategy in FY2023 to maintain its position as a leader in district cooling services. Key objectives included enhancing brand visibility, promoting sustainability initiatives, and expanding market reach.



In addition, we leveraged media marketing, including videos, ads, and photos, to convey our brand message effectively and engage our audience visually. Traditional marketing methods, such as press releases, newspapers/magazines, brochures, and flyers, remained integral to our strategy, combining print and offline mediums.

Our marketing strategy aligned with specific strategic goals, including expanding market share by penetrating new markets and increasing our share in existing ones. Enhancing customer satisfaction was another vital objective, achieved by delivering outstanding customer experiences that fostered loyalty and advocacy.

To implement our marketing strategy effectively, we took three key routes:

Effective Communication:

We maintained a strong media presence across various online and offline channels to reach a diverse audience effectively. This included newspapers, magazines, printed catalogues, brochures, flyers, and posters. Periodic outdoor campaigns with digital hoarding advertising were executed to maximize brand visibility. Online marketing through social media and email marketing improved our reach, and we actively participated in CSR campaigns to support society and the environment.

International, Industrial Events & Exhibitions:

EMPOWER actively participated events, such as the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) Winter Conference, International District Energy Association (IDEA) Campus Energy Conference, World Future Energy Summit (WFES), IDEA Annual Conference, Water, Energy, Technology, and Environment Exhibition (WETEX), and World Green Economy Summit (WGES), to showcase our expertise and solutions. Our engagement extended through supporting events like Arab Health, Middle East Energy Dubai, Arabian Travel Market (ATM), Airport Show Dubai, The Hotel Show, Cityscape, The Big Five, Dubai's Demand Side Management 2030 (DSM 2030), and United Nations environment initiatives, offering additional opportunities for engagement. We also amplified our presence in the local market through roadshows, inviting key stakeholders from diverse fields and sectors to conferences and workshops, enhancing collaboration and mutual understanding.

Awards Participation:

EMPOWER actively participated in local and international awards to showcase our commitment to excellence and innovation. Our achievements also extended to awards like "CEO of the Year" and "100 Inspiring Leaders in the Middle East."

EMPOWER at IDEA 2023 - Spearheading Sustainability in District Cooling

Background and Challenge: As the diamond sponsor of the IDEA 2023 Conference and Trade Show, EMPOWER embarked on a strategic mission to elevate its global branding and presence in the district cooling industry. This initiative placed EMPOWER at the forefront of the largest assembly of district energy professionals worldwide, presenting both an opportunity and a challenge. The opportunity lies in demonstrating EMPOWER's leadership and commitment to sustainable energy solutions on a global stage. The challenge was effectively communicating its achievements in energy efficiency and climate change mitigation as the first Middle Eastern company in such a distinguished role, aiming to solidify its position as a global leader in the sustainable district cooling sector.

Solution: EMPOWER utilized this platform to share its significant achievements, best practices, and the latest advancements in smart district cooling technologies, showcasing the UAE's proactive measures towards energy sustainability and environmental protection. Through engaging keynote speeches, insightful presentations, and strategic discussions, EMPOWER advocated adopting district cooling as a key solution for reducing energy consumption and carbon emissions.

Outcomes and Impact: The strategic participation in IDEA 2023 significantly enhanced EMPOWER's global influence and leadership in the district cooling sector, merging outcomes and impacts. By expertly showcasing its commitment to sustainable energy practices, EMPOWER reinforced its position as an industry innovator and contributed meaningfully to the global discourse on sustainable development. EMPOWER's efforts underscored the importance of industry leadership in transitioning towards more efficient and environmentally friendly energy solutions, demonstrating how strategic engagement at industry events can amplify a company's influence on the global sustainability agenda.

EMPOWER took a strategic approach at IDEA 2023 to enhance its global presence in district cooling. As a diamond sponsor, it advocated for district cooling's role in reducing energy consumption and carbon emissions.





Enhancing Social Capital through
Comprehensive CSR Initiatives



EMPOWER’s FY2023 was marked by a profound dedication to corporate social responsibility (CSR), aiming to enrich the social fabric of the communities it serves significantly. This commitment was manifested through a broad spectrum of initiatives, ranging from financial aid and health support to environmental advocacy and fostering community bonds. Through these diverse CSR initiatives, EMPOWER advanced its objectives and made a significant contribution to the enrichment of social capital. This holistic and impactful approach to corporate social responsibility underscores EMPOWER’s commitment to positively impacting society, fostering a sustainable environment, and enhancing community well-being.

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Financial Assistance and Health Initiatives

EMPOWER’s CSR efforts were notably underscored by its financial assistance program, offering aid to those facing health challenges and personal adversities, including cancer patients and accident victims. This initiative, complemented by partnerships such as the collaboration with Quiron Salud Clinic, highlighted EMPOWER’s commitment to urgent and preventive healthcare, ensuring well-being across its community.

Cultural and Environmental Advocacy

The organization actively participated in cultural and environmental events, including Emirati Women’s Day, Earth Hour, and World Environment Day, promoting environmental consciousness and celebrating cultural heritage. Moreover, initiatives like the 1 Billion Meals Initiative and Ramadan help boxes emphasized EMPOWER’s commitment to food security and employee well-being, reflecting a deep-rooted dedication to social capital.

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UNSDG	GRI
	404-1, 404-3

UNSDG	GRI
	305-5

UNSDG	GRI
	102-9, 305-5

UNSDG	GRI
	306-2, 306-3

Community Engagement and Support

EMPOWER fostered a spirit of giving through blood donation campaigns and support for international relief efforts, such as the Syria and Türkiye Relief Campaign. These efforts showcased EMPOWER’s broader vision of empathy, support, and building bridges of giving within and beyond its immediate community.

Building Social Capital through Sustainable Partnerships

EMPOWER was recognized by YES Full Circle (YFC) for its contributions to the Ocean Story project, which documented the impacts of overfishing, ocean warming, and plastic pollution. This partnership enabled a significant environmental education program, reaching 2,000 schools globally, and highlighted EMPOWER’s efforts in promoting environmental awareness and sustainability.

Enabling Youth: Sustainability Education Initiative

During FY2023, EMPOWER contributed to sustainability education during the “Towards Sustainability and Beyond in UAE” session, educating 400+ students on sustainability, UN SDGs, and the significance of COP28. This initiative underlines EMPOWER’s role in instilling sustainable values among the youth, reinforcing its position as a leader in sustainable practices within the UAE.

Honouring Commitment to Sustainability

EMPOWER celebrated its stakeholders’ support for sustainability initiatives in a ceremony acknowledging their efforts to reduce environmental impacts and promote sustainable practices. This recognition event underscored EMPOWER’s appreciation for the commitment to sustainability shared by its community and partners.

Celebrating Partnerships in Sustainability

The partnership with Ecyclex International Recycling was commemorated to acknowledge significant contributions to sustainability throughout 2023. This event celebrated the collaborative efforts to reduce environmental impacts, marking an important milestone in the shared journey towards sustainability.

Strengthening Our Green Legacy

EMPOWER’s commitment to environmental stewardship was exemplified by its recycling efforts, including a significant contribution of 39,000 papers for shredding and recycling, recognized by the Emirates Environmental Group. This initiative enhanced EMPOWER’s participation in community-based environmental projects, promising an increased contribution to tree plantation and fostering a sustainable environment.

Natural Capital:

Our Path to Sustainability and Efficiency



Empower's commitment to harnessing natural capital through sustainability and efficiency initiatives reflects a pioneering approach within the district cooling industry. In 2023, our endeavours in sustainable water use, waste management, and transformative energy solutions have demonstrated a comprehensive strategy towards environmental stewardship and operational excellence.

UNSDG:



Strategic Pillars:



Business Model Elements:



Material Issue Surveyed

1, 4 & 5

GRI

302-4, 303-1, 305-5, 306-2 & 306-3

significant advancements in water management practices, and a commitment to waste reduction, Empower continues to lead by example, proving that sustainable practices can coexist with industry growth and innovation.

Our Natural Capital Priorities

Focus Area	Description
Sustainable Water Use	Empower prioritises the efficient and innovative use of water resources in its operations, particularly emphasising non-traditional water sources such as treated sewage effluent (TSE). This approach underlines the company's commitment to reducing the consumption of fresh water and advocating for the sustainable management and reuse of water within its district cooling practices.
Energy Efficiency	This focus area underscores Empower's commitment to minimizing energy consumption through the incorporation of advanced technologies such as Variable Speed Drives (VSD) and Thermal Energy Storage (TES), alongside optimizing operational efficiencies. By implementing these strategies, Empower aims to bolster the sustainability of its cooling solutions, significantly reduce greenhouse gas emissions, and make a substantial contribution to the overarching objective of energy conservation within the urban landscape.
Waste Management	Empower's commitment to waste management involves systematically reducing, recycling, and responsibly disposing of waste generated from its operations. Through initiatives like electronics recycling and paper waste reduction, Empower demonstrates its dedication to mitigating environmental impact, supporting circular economy principles, and enhancing its Environmental, Social, and Governance (ESG) performance.
Advocacy and Community Engagement	Empower engages in advocacy and community-oriented initiatives to promote environmental awareness, sustainability practices, and social responsibility. Participating in global campaigns, hosting sustainability weeks, and garnering recognitions like the Green Business Network Award reflect Empower's effort to foster a culture of sustainability both within the organisation and in the wider community.

From the adoption of Variable Speed Drives (VSDs) technology at the BB02 DC Plant to data-driven operational enhancements at CCC's GN03 and JBR Plants, our initiatives have not only aimed at reducing energy consumption and conserving water but also at promoting diversity, safety, and excellence across all operations. These efforts align with our dedication to contributing to the Sustainable Development Goals (SDGs) and the Global Reporting Initiative (GRI) standards, emphasising our role in fostering a sustainable future. Through strategic infrastructure enhancements,

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4.01 mn m³
of TSE

Alternative Water Sources Utilised

13%

Fresh Water Saved in FY2023

39%

Water Efficiency Increase Target for FY2023

(A) Sustainable Water Use and Efficiency in District Cooling

At EMPOWER, our stewardship of natural capital, particularly water resources, underscores a commitment to sustainable development and environmental excellence. In 2023, our innovative water management strategies and infrastructure enhancements in the district cooling sector demonstrated not only our dedication to conserving water but also our leadership in adopting practices that contribute to a sustainable future. Our dedication to environmental sustainability shines through our comprehensive water management approach, especially within the district cooling sector. Our strategy focuses on judicious water use and the adoption of cutting-edge solutions to enhance the efficiency of our operations. A pivotal aspect of this strategy is the application of treated sewage effluent (TSE) in our cooling processes. This innovative practice not only saves precious fresh water but also repurposes wastewater, aligning perfectly with our sustainability goals.



Strategic Infrastructure Enhancements for Water Efficiency

In the fiscal year 2023, EMPOWER launched significant initiatives to improve our water infrastructure and systems. We aimed to boost water efficiency by a target of at least 39%. These enhancements span from introducing state-of-the-art cooling technologies to refining our water management practices, all designed to maximise resource efficiency and minimise our environmental impact.

Advancing Freshwater Conservation Efforts

Central to our environmental strategy is significantly reducing freshwater usage by incorporating alternative water sources such as TSE for cooling. This approach not only lessens our dependence on freshwater supplies but also fosters the recycling and reuse of water. Our efforts indicate EMPOWER's leadership in adopting and implementing environmentally friendly practices in the district cooling sector.

In 2023, we ramped up our use of TSE throughout our operations, particularly in Dubai, to address the issue of underutilised TSE due to the limited reach of irrigation networks. Integrating TSE into our cooling systems yielded substantial environmental and economic advantages. This initiative highlights our commitment to environmental stewardship and operational excellence.

17.24 mn m³

EMPOWER's total water consumption, procured from national utility companies in 2023

2.60 mn m³

EMPOWER effectively recycled and reused industrial or municipal wastewater

At Empower, our commitment to environmental excellence is evident through innovative water management strategies. By integrating treated sewage effluent into our cooling processes, we lead in sustainable practices, reducing fresh water consumption by 13% in 2023.

Enhancing Water Management Practices

Our water management initiatives have been meticulously refined to effectively reduce water use and mitigate environmental impact. These measures underscore EMPOWER's role as a sustainable water management leader in the district cooling industry, demonstrating our unwavering commitment to providing efficient, environmentally responsible services. Our achievements in FY2023 reflect our continuous commitment to sustainability and operational efficiency.

Fostering Global Harmony through Water Stewardship

In 2023, EMPOWER participated in the World Water Day initiative under the 'Water for Peace' theme. We embraced the critical importance of sustainable water management in fostering international cooperation and understanding. Acknowledging the stark reality that water scarcity and pollution can lead to conflict, we actively contributed to the global campaign, promoting the fair and sustainable use of water as a pathway to peace. Our involvement underscored the recognition of water as a vital resource and a human right essential to public health, economic productivity, and environmental integrity. By advocating for equitable water access and cooperative water governance, EMPOWER laid the foundation for a more stable and prosperous future, contributing to a worldwide movement towards peace and prosperity through shared water resources.



Enhancing Manufactured Capital through Sustainable Reverse Osmosis Technology in District Cooling

EMPOWER, leading the district cooling industry, has strategically advanced its operations by integrating Reverse Osmosis (RO) technology in district cooling plants. This initiative aligns with Dubai's governmental strategies to optimise desalinated water consumption and promote alternative water sources such as treated sewage effluent. Implementing RO technology, a practice Empower has embraced since 2012, starting with the Dubai Health Care City (DHCC) plant, signifies a pivotal shift towards more sustainable district cooling practices across Dubai.

EMPOWER is set to purify and reuse water by constructing reverse osmosis plants, effectively removing salts, organic compounds, heavy metals, and other impurities. This not only ensures the sustainability of cooling operations but also significantly contributes to the conservation of freshwater resources. In 2023 alone, Empower's use of recycled water resulted in the savings of 540 million imperial gallons of fresh water, underscoring the company's commitment to environmental stewardship and the efficient use of manufactured capital.

This approach reflects EMPOWER's dedication to adopting best practices and sustainable solutions that protect the environment and preserve natural resources. The company's initiative to utilise treated sewage effluent instead of fresh water in its operations highlights a broader commitment to environmental sustainability. It showcases the pivotal role of manufactured capital—such as reverse osmosis plants—in driving innovation and sustainability in the district cooling sector.

540 million
imperial gallons

Fresh Water Savings in FY2023



(B) Transformative Energy Solutions



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In 2023, EMPOWER led the district cooling industry by embracing technology and data for sustainability. From Variable Speed Drive (VSD) technology retrofits to data-driven operational enhancements, our initiatives redefine efficiency, showcasing our commitment to environmental stewardship.

In an era where the imperative for sustainability intersects with rapid technological advancement, EMPOWER stands at the forefront of the district cooling industry, not merely as a participant but as a trailblazer. Our journey through 2023 has been marked by ambitious projects to redefine energy efficiency and enhance environmental sustainability. Through initiatives like the VSD technology retrofit at the Business Bay - 02 DC Plant and groundbreaking data-driven operational improvements at Command and Control Center's (CCC) GN03 and JBR Plants, we have demonstrated the profound impact of integrating state-of-the-art technology and sophisticated data analytics into our operations. These endeavours highlight our unwavering commitment to sustainable development and illustrate the transformative potential of leveraging technology and data to achieve unparalleled operational excellence and environmental stewardship. As we continue to push the boundaries of energy efficiency, our efforts contribute to a more sustainable urban development landscape, benefiting the industry and the communities we serve.

Enhancing Environmental Sustainability through VSD Technology Retrofit at EMPOWER’s BB02 DC Plant

EMPOWER’s initiative to retrofit VSD technology at the Business Bay 02 (BB02) DC Plant underscores its commitment to environmental stewardship and sustainable development. This initiative, aimed at leveraging the operational efficiencies of chiller compressors under reduced load conditions, demonstrates how technology can play a pivotal role in enhancing energy efficiency and contributing to environmental sustainability goals.

Retrofitting VSD at BB02 Plant

The BB02 Plant was chosen for energy efficiency upgrade since it has seven JCI-York Water Cooled chiller modules (5,000 TR each) using constant speed compressors. Two chiller modules were retrofitted with Variable Speed Drives (VSD) based on their energy-saving potential. JCI, the OEM, supported the retrofit with an “Annual Guaranteed Savings term,” indicating confidence in the energy savings. The retrofit, including VSD installation, was completed by May 2023, with the upgraded chillers operational from June 1, 2023. Energy savings were assessed monthly using the International Performance Measurement and Verification Protocol (IPMVP) Option B method, ensuring the accuracy and reliability of the data.

Results and Impact

The VSD retrofit at the BB02 Plant resulted in significant energy savings, with an expected annual reduction of 6.08 million kWh. This substantial decrease in energy consumption not only translates into cost savings for EMPOWER but also contributes to the company’s sustainability objectives by reducing the plant’s carbon footprint.

The successful implementation of this project highlights the potential of retrofitting existing infrastructure with modern, energy-efficient technology to achieve sustainability goals. The BB02 DC Plant’s performance improvement is a model for similar initiatives within the industry, demonstrating the viability and benefits of investing in energy efficiency and sustainable practices.

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7 AFFORDABLE AND CLEAN ENERGY

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13 CLIMATE ACTION

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6.08 million KWh

Estimated Energy Savings



Data-Driven Operational Excellence at CCC’s GN03 and JBR Plants

CCC’s advanced data acquisition initiative has redefined operational efficiency in DC plant operations. Through data analysis and interpretation, CCC significantly enhanced GN03 and JBR plants’ performance, achieving notable energy savings and CO2 reductions. This approach, highlighting CCC’s dedication to operational excellence, utilised archived data for in-depth analysis. The success at GN03 and JBR demonstrates the effectiveness of data-driven strategies in achieving sustainable energy sector improvements, with machine learning poised to boost operational efficiency further.

Data Acquisition and Analysis Approach

CCC leveraged archived DC plant data through a detailed process, starting with selecting relevant parameters and cleaning the data for precision. The team then analysed the data, combining quantitative and qualitative methods, and applied machine learning for future insights. This approach enabled CCC to craft optimisation strategies specific to the GN03 and JBR plants, significantly boosting operational efficiency. Through this streamlined, data-driven method, CCC achieved a new level of precision in operational decision-making.

GN03 Plant Efficiency Improvement	JBR Plant Efficiency Improvement
At the GN03 plant, CCC’s insightful data analysis prompted the adoption of several strategic actions. This involved coordinating plant operations with IBM mall hours to elevate ΔT efficiency, refining operations of the Secondary Chilled Water Pump (SCHWP) to ensure they stayed within the Best Operating Range (BOR), enhancing Chilled Water (CHW) flow through the chillers for better efficiency, and shifting to demand-based operations for the cooling towers. These carefully chosen interventions aimed to boost the plant’s performance by leveraging precise operational adjustments.	For the JBR plant, CCC tapped into historical data, leading to the development of actual pump performance curves, a move away from mere reliance on design specifications. This process enabled the identification of pumps’ Best Operating Range (BOR) and their operation within these parameters. CCC also optimised the plant’s ΔT, ensuring that cooling services were not compromised, streamlining operations and enhancing efficiency. This approach was rooted in leveraging precise data to fine-tune plant performance.
Outcomes: At GN03, there was an 8% performance enhancement compared to the previous year, alongside a significant reduction in electrical and water consumption, resulting in annual energy savings of 3.5 million KWh and a CO₂ reduction of 1,571 tons.	Outcomes: The JBR plant experienced improved electrical efficiency, moving from 0.87 KW/TR to 0.86 KW/TR, yielding annual energy savings of 1.8 million KWh and a CO₂ reduction of 798 tons.

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7 AFFORDABLE AND CLEAN ENERGY

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3.5 million KWh

Energy Savings at GN03

1,571 tons

CO₂ Reduction at GN03

1.8 million KWh

Energy Savings at JBR

798 tons

CO₂ Reduction at JBR

(C) Waste Reduction and Environmental Stewardship

EMPOWER is at the forefront of championing sustainable practices that contribute to preserving and enhancing our natural capital. Through innovative projects and community engagement, we demonstrate our commitment to environmental stewardship, aligning with global sustainability goals and responding proactively to the urgent need for climate action. This chapter details our journey through various initiatives, showcasing our dedication to reducing waste, conserving energy, and fostering a culture of sustainability among our employees and the wider community.

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933_{kg}

Electronics Recycled

4,478_{kWh}

Electricity Saved

134.4_L

Oil Saved

261_{f³}

Landfill Space Saved

Electronics Recycling Project 2023

In the past year, we completed Phase 2 of the Electronics Recycling Project 2023 in a strategic partnership with Ecyclex International Recycling. This accomplishment was a significant stride towards fulfilling Empower’s Environmental, Social, and Governance (ESG) objectives. The project achieved commendable results, with 933 kg of electronics recycled. This effort translated into substantial environmental gains, including the preservation of 261.2 cubic feet of landfill space, the prevention of CO2 emissions relating to 933 kg of electronics recycled, the saving of 4,478.4 kWh of electricity, and the conservation of 134.4 litres of oil. Beyond the environmental impact, the initiative also embraced community support by facilitating a donation to the Red Crescent, utilising the proceeds from recycled electronics. This initiative illustrated how targeted sustainability projects can yield dual benefits, positively affecting the environment and the community. Our commitment to such initiatives underscores Empower’s dedication to environmental stewardship and social responsibility, marking a significant milestone in our journey towards a more sustainable future.

In 2023, Empower spearheaded sustainable practices through the Electronics Recycling Project, showcasing our commitment to environmental stewardship. This initiative recycled 933 kg of electronics, preserving landfill space, reducing CO2 emissions, and promoting community support.



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210_{kg}

Paper Recycled

0.8_{metric tons}

CO₂ Emissions Reduction

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Our Commitment to Paper Recycling

The Company demonstrated a firm commitment to environmental stewardship through our successful partnership with the Emirates Environmental Group (EEG) in 2023. Under this initiative, we contributed to a stepping-stone milestone by recycling 210 kg of paper, affirming our dedication to sustainable practices. This initiative reduced the equivalent of 0.8 metric tons of CO2, underscoring our role in combating climate change. Through this initiative, we also saved 4.7 million BTUs (British Thermal Units) of energy, further emphasising our contribution to energy conservation. This action also saved 0.6 cubic meters of landfill space, equivalent to preserving four mature trees.

During the year, Empower also participated in the “One Root, One Communi-tree” recycling initiative, a collaboration with the Emirates Environmental Group from August to November 2023. This project aligns with our vision to foster proactive environmental action and enhance urban spaces’ greening through strategically planting indigenous trees. It also echoes our mission to embed sustainable practices within the community, nudging every individual towards a greener future. Our ambitious goal to collect 2,000 kg of paper reflects our earnest efforts in waste reduction and resource conservation. Empower’s engagement in this initiative demonstrates our unwavering commitment to ecological stewardship and the nurturing of a resilient, eco-conscious community.

4.7_{million BTUs}

Energy Saved

0.6_{m³}

Landfill Space Saved

Empower’s Engagement in Sustainable Food Sharing

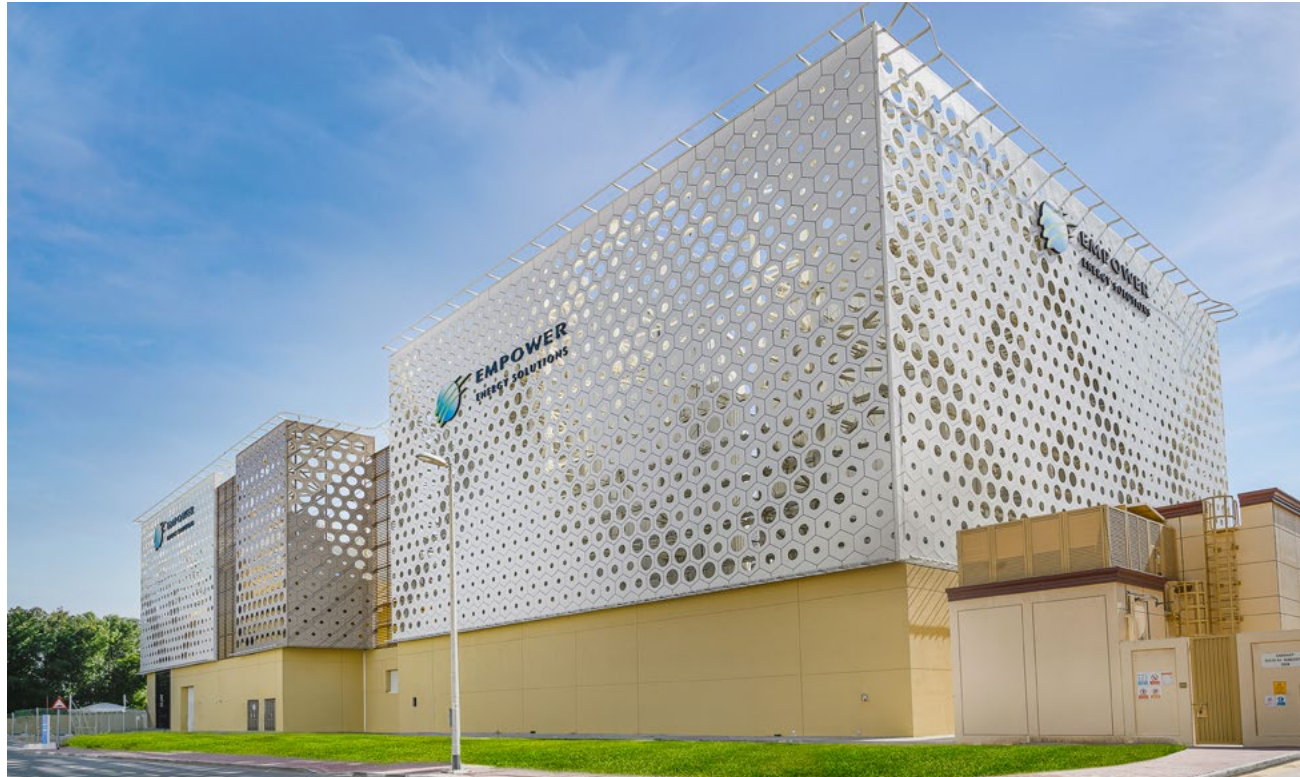
Empower takes pride in actively encouraging our employees to participate in impactful sustainability initiatives, especially those that resonate with the spirit of giving during the holy month. This year, we supported the commendable efforts of organisations committed to reducing food waste and aiding those facing food insecurity. Our employees were invited to contribute their surplus meals to initiatives such as the ‘One Million Meals from Waste Food Initiative’ by the Mohammed Bin Rashid Al Maktoum Global Initiative, the ‘Food Bank’ by Dubai Municipality, and ‘Hifz Al Ni’am’ managed by the Red Crescent and Dubai Municipality. These initiatives aim to collect surplus food and redistribute it to those in need, ensuring that the blessings of nourishment reach far and wide. By participating in these programmes, employees are empowered to exemplify their core values by actively participating in food surplus initiatives, enhancing community solidarity, and reducing waste. This engagement is integral to our sustainability ethos, reinforcing our dedication to environmental stewardship and societal welfare.

Eco Empower Week 2023: Embracing Sustainable Practices

During Eco Empower Week, as part of our 2023 Sustainability Campaign, Empower hosted the Paperless Marathon and Plastic-less Week Competition. These initiatives, resonating with the United Nations Sustainable Development Goals 12 and 13, aimed to promote responsible consumption, production, and climate action. From November 20th to 24th of 2023, employees were challenged to reduce paper use and recycle plastic bottles, embracing digital documentation alternatives and utilising innovative recycling bins placed in the headquarter. The competitive spirit was fuelled by the prospect of departmental trophies and individual raffle prizes, courtesy of the Renie company. The week was a testament to how small, conscientious actions by our workforce can culminate in significant environmental impact, reflecting Empower’s dedication to fostering a culture of sustainability.

(D) Fostering Sustainability and Efficiency through Advocacy

In a world increasingly aware of the finite nature of its resources, Empower's initiatives throughout 2023 have exemplified a steadfast commitment to the conservation of natural capital through innovative sustainability and efficiency campaigns. From setting industry benchmarks with the 'Set and Save 24°C' campaign to achieving Gold LEED certification for our Za'abeel Plant, our efforts underscore a dual focus on environmental stewardship and operational excellence. This chapter captures our journey towards sustainable urban development, highlighting our contributions to energy conservation, sustainable cooling, and community engagement, all while aligning with global sustainability goals and initiatives.



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Empower's 'Set and Save 24°C' Campaign: A Dual Initiative for Sustainability and Efficiency

Empower's 'Set and Save 24°C' campaign, now in its 10th edition, has been a cornerstone of the company's sustainable practices, aiming to significantly reduce district cooling energy consumption during the summer months of 2023. This campaign achieved remarkable success in encouraging rational energy consumption among its extensive customer base, reinforcing the company's commitment to environmental stewardship and the conservation of natural capital. Throughout the summer months of 2023, Empower engaged with over 132,000 customers, offering practical advice to optimise district cooling usage, which significantly contributed to reducing energy wastage, lowering utility bills, and diminishing carbon emissions. The proactive engagement demonstrated through more than 10,000 customer calls and 11,500 electronic messages highlighted the community's growing awareness and willingness to adopt more sustainable energy practices.

Launched under the broader commitment to the 'Green Economy for Sustainable Development' initiative by His Highness Sheikh Mohammed bin Rashid Al Maktoum, the campaign is part of Empower's strategy to advocate for responsible energy use and support Dubai's ambition to become a global hub for the green economy with the lowest carbon footprint by 2050. Customers are encouraged through practical advice, like regular maintenance of air conditioning units and optimising thermostat settings, to enjoy effective cooling while conserving energy. This approach not only aims at environmental conservation and resource preservation but also aligns with sustainable practices benefiting the community and future generations.

~132,000
Customers Engaged

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Empower's Advocacy for Sustainable Cooling on World Refrigeration Day 2023

Empower actively participated in the celebration of World Refrigeration Day (WRD) 2023, held under the theme “Next Generation Cooling: The Future is in Our Hands.” This observance was marked by a series of events aimed at enhancing public awareness about the critical role of refrigeration and air conditioning in ensuring societal well-being and the comfort of modern life. The celebration underscored the importance of cooling technologies in a world facing increasing temperatures, highlighting their significance in promoting human health and prosperity.

Through its participation, Empower emphasised the necessity of adopting advanced cooling technologies that not only respond to environmental challenges but also contribute to sustainable development and environmental protection. As a pivotal partner in the United Nations Environment Program's 'District Energy in Cities' and 'Cool Coalition' initiatives, Empower stands at the forefront of facilitating a global shift towards efficient and climate-friendly cooling solutions. The company's efforts in integrating artificial intelligence into operations exemplify its commitment to innovation and environmental stewardship.

Empower's engagement in WRD 2023 reflects its leadership in driving the district cooling industry towards a sustainable future, advocating for responsible cooling practices that minimise resource wastage and greenhouse gas emissions. By promoting environmental awareness and the adoption of eco-conscious lifestyles, Empower contributes to the sustainability of resources for future generations, aligning with the Dubai Clean Energy Strategy 2050's vision of transforming Dubai into a global hub for clean energy and a green economy. This initiative not only positions Dubai as a leader in sustainable cooling but also reinforces Empower's role in shaping environmentally friendly urban lifestyles.

Empower's Za'abeel Plant: A Beacon of Sustainability with Gold LEED Certification

Empower's Za'abeel District Cooling Plant has been distinguished with the Gold certification by the United States Green Building Council, marking a significant achievement in sustainable building practices. This accolade acknowledges the plant's compliance with the Leadership in Energy and Environmental Design (LEED) standards, underscoring Empower's commitment to environmental stewardship, carbon footprint reduction, and adherence to principles of innovation and sustainability. The recognition of the Za'abeel plant, equipped with Empower's smart technologies, adds to the company's portfolio of green-certified facilities, highlighting its ongoing efforts to align its operations with stringent green building standards.

The Za'abeel cooling plant represents the next generation of advanced district cooling facilities, incorporating smart technologies and innovations such as Thermal Energy Storage (TES) and Treated Sewage Effluent (TSE) technology. These technologies not only underscore Empower's role in energy conservation but also in reducing freshwater consumption, thus conserving natural resources. The plant's design and operation are a testament to Empower's dedication to integrating sustainable practices into its infrastructure, furthering Dubai's vision for contemporary urban development and green building standards.

The Gold LEED certification of the Za'abeel District Cooling Plant signifies Empower's leadership in transforming the district cooling industry through sustainable models. By prioritising green building principles and collaborating with various government entities, Empower actively contributes to Dubai's environmental ambitions, reinforcing the emirate's status as a hub for clean energy and sustainable urban living.

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305-5

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404-2

Earth Hour 2023



In 2023, Empower actively engaged in Earth Hour, underscoring our commitment to environmental stewardship and sustainability. On March 25th, we joined millions worldwide in turning off non-essential lights from 8:30 to 9:30 PM, signalling our support for climate change action and energy conservation.

This initiative aligns with our pursuit of Sustainable Development Goals 11 and 12, which advocate for sustainable cities and responsible consumption patterns. Our participation serves not only as a stand against climate change but also as an educational platform, inspiring our stakeholders to incorporate eco-friendly habits into their daily lives. Through such collective actions, Empower continues to drive meaningful impact, reducing our carbon footprint and fostering a culture of sustainability within our community.

Empower’s Summer Sustainability Webinar

In our ongoing commitment to sustainability and enhancing employee well-being, Empower hosted the “Make Smart Summer Choices Your Habit” webinar on August 31st. This initiative, part of our Natural Capital commitment, focused on educating employees about sustainable living and maintaining a healthy work-life balance during the summer. The session underscored the importance of making environmentally conscious choices, aligning with our broader goals of fostering a culture of sustainability within our workforce. Our employees’ enthusiastic participation and engagement highlighted the collective drive towards embracing sustainable practices in both personal and professional realms, further solidifying Empower’s role in promoting environmental stewardship.



Empower joined Earth Hour, turning off lights globally for climate action. We hosted a Summer Sustainability Webinar, collaborated on the BAADR Month initiative to cut single-use plastic, and led November’s Month of Environmental Advocacy, promoting eco-consciousness.



UNSDG

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306-2

Empower’s BAADR Month Initiative

In 2023, Empower elevated its commitment to environmental sustainability through strategic collaborations and impactful initiatives. Joining forces with the Green Business Network for the BAADR Month - Mission to Zero campaign, we targeted the reduction of single-use product consumption within our offices. This initiative, tied closely to World Environment Day on June 5th and themed around combating plastic pollution, showcases our deep-seated commitment to environmental stewardship and our ambition to reduce our carbon footprint. By rallying our workforce to engage with the BAADR application and actively participate in these campaigns, we not only moved closer to our sustainability objectives but also contributed to a broader vision of a sustainable future. This dual approach emphasises our dedication to minimising environmental impact, promoting sustainable practices, and leading by example in the corporate sphere, reinforcing our commitment to addressing the most pressing ecological challenges: single-use plastic and carbon emissions.

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November 2023: Empower’s Month of Environmental Advocacy

November on the Empower Sustainability Campaign Calendar 2023 was replete with activities emphasising eco-consciousness. Kicking off with the Green Exhibition, employees engaged in an interactive learning experience at the Training Room. The Tolerance Trip to Etihad Museum offered a journey through cultural awareness and appreciation. The “From Seeds to Success” sessions provided practical insights into environmental stewardship. Moreover, the company-wide Paperless Marathon and Plastic-Less Week saw employees partake in challenges to diminish waste, all leading to the excitement of the winners’ announcement at the month’s end. These events, each a testament to our dedication to sustainability, were curated to inspire and instil eco-friendly practices among our workforce.



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404-2

Cultivating Awareness: “Seeds to Success” Workshop

In alignment with World Soil Day and UN SDG 15: Life on Land, Empower hosted the “Seeds to Success” workshop on November 29th, 2023, marking a significant initiative within our Sustainability Campaign 2023. This event, designed for nature enthusiasts and those passionate about sustainability, featured insightful sessions led by experts Omar Khalil and Waqar AlHammadi. They delved into the intricacies of successful planting and the critical impact of soil quality on agricultural outcomes, specifically focusing on coffee seeds. The workshop, held at our headquarters, offered attendees a unique chance to deepen their understanding of soil’s fundamental role in our ecosystem, fostering a community of knowledgeable and environmentally conscious individuals. This initiative underscores Empower’s commitment to environmental education and our ongoing efforts to promote sustainable practices that contribute to the health and vitality of our planet.

Eco-Empower Week: Cultivating a Sustainable Future

During the ten days from November 20th to 29th, 2023, Empower launched its annual Sustainability Campaign under the banner of Eco-Empower Week, uniting our collective efforts to foster a more sustainable future.

The theme “Unite for a Greener Future” galvanised a series of eco-conscious events, including the Paperless Marathon and Plastic-less Week, which promoted resource conservation. The Green Exhibition and Tolerance Trip to Etihad Measme provided educational experiences highlighting the importance of environmental and cultural understanding. The week culminated with the “From Seeds to Success” workshop, sowing the seeds of environmental knowledge and stewardship. This campaign exemplified Empower’s commitment to sustainability, engaging employees in meaningful actions to enhance our natural capital and embed sustainable practices into our corporate DNA.

Our participation in the ‘One Root, One Communi-tree’ initiative collected 2,000 kg of paper for recycling. We hosted the Green Exhibition, showcasing our commitment to sustainability, and were honoured with the Green Business Network Award for our environmental initiatives.

Our Commitment to Community and Ecology

During the year, Empower participated in the “One Root, One Communi-tree” recycling initiative, a collaboration with the Emirates Environmental Group, from August 1st to November 23rd, 2023. This project aligns with our vision to foster proactive environmental action and enhance urban spaces’ greening through strategically planting indigenous trees. It also echoes our mission to embed sustainable practices within the community, nudging every individual towards a greener future. Our ambitious goal to collect 2,000 kg of paper reflects our earnest efforts in waste reduction and resource conservation. Empower’s engagement in this initiative demonstrates our unwavering commitment to ecological stewardship and the nurturing of a resilient, eco-conscious community.

Green Exhibition

As a centrepiece of our Sustainability Campaign 2023 and Eco-Empower Week, Empower hosted the Green Exhibition, a testament to our enduring commitment to sustainability and environmental awareness. The event featured an E-Waste Gallery highlighting the importance of recycling electronics, a movie screening providing a stirring visual narrative on natural disasters, and a series of interactive activities aligned with the United Nations Sustainable Development Goals. Our employees’ engagement was integral to the event’s success, sparking vibrant discussions and strengthening our collective dedication to ecological responsibility.

Recognition of our Sustainability Efforts

In 2023, Empower was honoured to receive the prestigious Green Business Network (GBN) Award, placed second in the “Mobader” category. This accolade was a testament to our active engagement in environmental initiatives during 2021-2022. Our commitment was demonstrated through diverse activities, including the Paperless Marathon, Plastic-Free July, and an Environmental Screening Day. We also enhanced our knowledge and commitment to sustainability by participating in Green emissions calculations training and sharing waste minimisation case studies. Furthermore, Empower took a proactive role in the environmental community, contributing to virtual meetings with Green Business Network (GBN) members and sharing insights on our environmental efforts. We also contributed to disseminating information about sustainability events across the UAE. This award underscores our ongoing dedication to environmental stewardship and our leadership in corporate sustainability practices.



JOIN US IN

THE SUSTAINABILITY CAMPAIGN 2023 UNDER THE THEME ECO-EMPOWER WEEK
LET'S COLLABORATE TOGETHER IN FOSTERING SUSTAINABILITY:

UNITE FOR A GREENER FUTURE!

FROM 20TH TO 29TH NOVEMBER 2023

WE WILL HAVE A VARIETY OF EVENTS THAT WILL BE HELD DURING THE WEEK:

- Paperless Marathon – 20th to 24th November
- Plastic-less Week – 20th to 24th November
- Green Exhibition – 21st of November at 10 AM to 1 PM
- Tolerance Trip to Etihad Measme – 23rd of November from 9 AM to 11 AM
- From Seeds to Success – 29th of November.

LET'S MAKE SUSTAINABILITY WEEK A MEMORABLE AND IMPACTFUL EVENT.
TOGETHER, WE CAN CREATE A MORE SUSTAINABLE FUTURE FOR ALL.

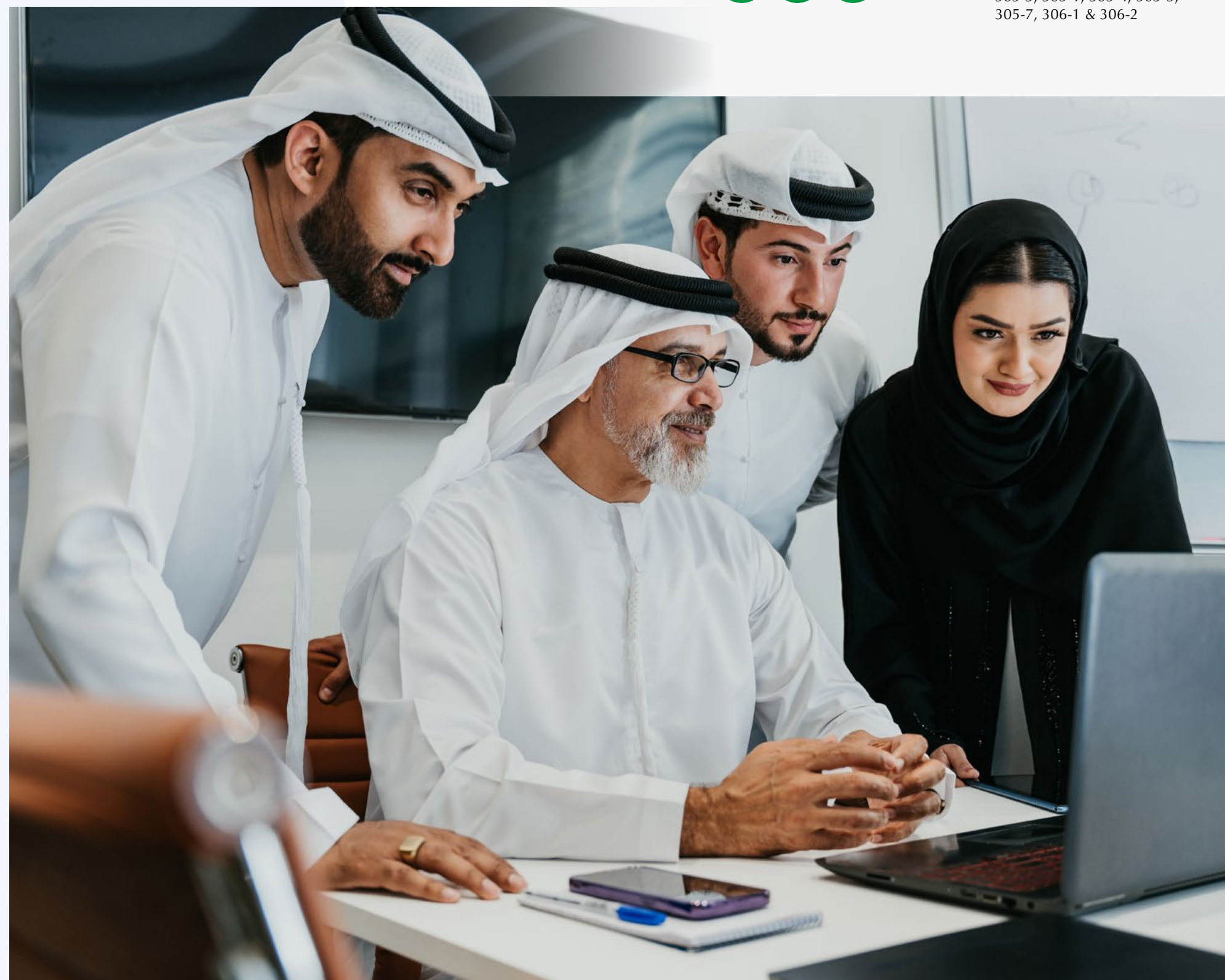
IF YOU HAVE ANY QUESTIONS OR SUGGESTIONS, PLEASE FEEL FREE TO REACH OUT AT EMPOWER SUSTAINABILITY SUSTAINABILITY@EMPOWER.AE



Intellectual Capital: Catalysing Innovation and Leadership

At EMPOWER, intellectual capital is the bedrock of innovation and leadership in the district cooling industry. Over the past year, we have intensified our focus on nurturing this vital asset, drawing on strategic insight and innovative prowess to solidify our leadership in sustainable energy. We've made significant progress in fortifying our intellectual capital—a journey marked by strategic milestones, including a successful public listing and considerable expansion in cooling capacity. Our intellectual resources have catalysed our market dominance and operational excellence, reflecting our steadfast dedication to modernisation and developing our infrastructure and technical workforce.

Through the visionary leadership of our CEO, His Excellency Ahmad bin Shafar, EMPOWER has received global recognition, reinforcing our status as an industry trailblazer. This year, we've also hosted influential summits, fostering dialogue on the transformative potential of district cooling technologies and their role in climate action. Continuing our long-standing commitment to sustainable practices, we extended our use of Reverse Osmosis (RO) technology by implementing it in additional plants in 2023. This move further positions us at the forefront of environmental stewardship. In a year of remarkable achievements, we've celebrated international awards and acknowledgements that spotlight our innovative contributions and inspire ongoing advancement. As we reflect on the influence of our strategic and intellectual contributions globally, we recognise our leading role in shaping a sustainable future.



UNSDG:



Strategic Pillars:



Business Model Elements:



Material Issue Surveyed

4, 15 & 21

GRI

102-12, 102-13, 102-15, 103-1, 103-2, 103-3, 302-1, 302-4, 303-3, 305-1, 305-4, 305-5, 305-7, 306-1 & 306-2

Our Intellectual Capital Priorities

1. Innovation and Research & Development (R&D):

EMPOWER prioritizes ongoing innovation and the strategic enhancement of operational efficiency and environmental sustainability. This commitment is exemplified by our continued integration of established Reverse Osmosis (RO) technology within our operations, a step that underscores our dedication to sustainable practices. The consistent investment in R&D demonstrates our continued effort to refine and advance district cooling technologies.

2. Global Leadership and Recognition:

The Company has achieved several notable global recognition, underlined by awards and accolades such as the CEO Middle East Award 2023 for the Energy sector awarded to CEO Ahmad bin Shafar, alongside prestigious recognitions like the IDEA SPACE Awards and the Golden Bridge Awards. This collection of global acknowledgments highlights EMPOWER's role as a pioneer in the industry, driven by visionary leadership and an unwavering commitment to excellence.

3. Strategic Partnerships and Collaborations:

EMPOWER engages in numerous research partnerships with academic institutions, industry organizations, and esteemed global entities, including the United Nations Environment Programme (UNEP), the International District Energy Association (IDEA), and the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE). These collaborations significantly enhance its intellectual capital through collaborative innovation and knowledge exchange, solidifying its position at the forefront of sustainable energy solutions.

4. Sustainability Initiatives:

The Company's strategic initiatives align with sustainability goals, particularly in water conservation, carbon emission reductions, and energy efficiency improvements, demonstrating its commitment to environmental stewardship and alignment with the United Nations Sustainable Development Goals (UNSDGs).

5. Capacity Building and Human Capital Development:

EMPOWER invests in its workforce through extensive training hours, illustrating a significant investment in human capital to foster a culture of continuous learning and adaptability within the rapidly evolving energy sector.

6. Technological Advancements and Market Expansion:

Adopting advanced technologies and exploring new markets are central to EMPOWER's strategy, ensuring the Company remains at the forefront of industry innovation while expanding its influence globally.

7. Public Engagement and Industry Leadership:

Hosting and participating in influential summits and conferences, such as the District Cooling Summit during COP28, EMPOWERs the Company to lead discussions on the future of sustainable urban energy solutions, reinforcing its intellectual leadership in the sector.

8. Strategic Investments in Infrastructure:

Investment in infrastructure is evidenced not only by significant expansions in cooling capacity but also by major projects aimed at enhancing and upgrading our facilities and services. Noteworthy developments include the Business Bay enhancement project, the JBR upgrade project, and the commissioning of new plants across strategic locations.

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102-15, 103-1, 103-2, 103-3

Recognition of Visionary Leadership in Energy

The past year's emphasis on intellectual capital, led by the CEO's esteemed leadership and ensuing honours, is a testament to EMPOWER's success and an impetus for the Company's enduring commitment to a sustainable future. In FY2023, the Company has soared to new heights in this respect, culminating in the CEO, His Excellency Ahmad bin Shafar, honoured with the CEO Middle East Award 2023 for the Energy sector. This accolade shines a light on his visionary leadership and significant contributions to the district cooling industry, driving EMPOWER's alignment with sustainable development goals and cementing its status as a global pioneer in district cooling services. Under his guidance, EMPOWER celebrated its public listing on the Dubai Financial Market in 2022 and a remarkable expansion in cooling capacity—milestones that reflect the CEO's adept growth of intellectual capital and strategic prowess.



Steering the Future with Visionary Leadership and Sustainable Innovation.

His steadfast commitment to innovation and sustainability has catalysed EMPOWER's culture of excellence and environmental stewardship, establishing benchmarks in the energy sector and propelling the sustainability agenda of Dubai and the UAE. Integrating advanced technologies has been vital in promoting a culture ripe with innovation and upholding the highest environmental standards.

The global recognition of the CEO and EMPOWER marks a significant milestone, illuminating the Company's innovative spirit and inspiring continued progress in the district cooling sector. It reflects EMPOWER's dedication to excellence and strategic harmony with Dubai's vision to be at the vanguard of sustainability and energy innovation.

Looking back, the CEO's progressive vision has been instrumental in fostering EMPOWER's growth and spearheading the adoption of cutting-edge technologies in the district cooling industry. His leadership, spanning over two decades, has maintained EMPOWER's trajectory of pioneering advancements and poised the Company for future success in sustainability and energy leadership.



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102-12, 102-13

Pioneering the Future: EMPOWER's Commitment to Cooling the World Sustainably.

EMPOWER's Intellectual Leadership at the District Cooling Summit during COP28

EMPOWER's hosting of the District Cooling Summit 2023 at the United Nations Climate Change Conference (COP28) in Dubai, underscored its strategic role in fostering intellectual capital and thought leadership within the global climate action and energy efficiency discourse. This significant event, held in the Green Zone of COP28 and organised in collaboration with the International District Energy Association (IDEA), brought together leading experts to discuss the transformative potential of district cooling in advancing sustainable urban development and climate mitigation efforts.

The Summit offered a platform to highlight district cooling's critical role in reducing energy consumption, promoting environmental sustainability, and achieving rapid decarbonisation in the cooling sector. By focusing on energy transition, low-carbon solutions, and the need for supportive policies and financing, the discussions at the Summit aligned with the broader COP28 theme of 'Energy Transition', driving ambitious actions toward the sector's sustainable evolution.

EMPOWER's initiative to convene this gathering during such a pivotal global conference demonstrated its commitment to advancing knowledge exchange and collaborative strategies for scaling up district cooling solutions. The Summit highlighted the UAE's leadership in sustainable cooling and strengthened Dubai's position as a 'Champion City' for district cooling, reflecting the nation's proactive approach to embedding energy-efficient solutions in its urban fabric.

Through its participation and hosting of the District Cooling Summit at COP28, EMPOWER reinforced its dedication to intellectual leadership in the district cooling industry. The Company's efforts to share insights, foster international cooperation, and promote the adoption of sustainable cooling practices exemplify its strategic vision to lead global efforts in environmental conservation and climate action, marking a significant contribution to the intellectual capital surrounding sustainable urban energy solutions.



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303-3, 306-1

Revolutionizing Sustainability: EMPOWER's Leap Through Reverse Osmosis.

Water Savings Achieved:
Equivalent to 982 Olympic
swimming pools in 2023,
showcasing significant
resource conservation.

**Expansion of RO
Technology:** Implemented
in three out of eight district
cooling plants in Palm
Jumeirah, demonstrating
growth and scalability.

UNSDG



GRI

302-4, 305-5

Setting the Standard: EMPOWER's Global Recognition for Innovation and Sustainability.

EMPOWER's Intellectual Capital Growth through Reverse Osmosis Adoption



EMPOWER's adoption of Reverse Osmosis (RO) technology within its district cooling operations represents a significant advancement in the Company's intellectual capital, emphasising a commitment to sustainable and innovative water treatment solutions. This strategic move, part of a broader initiative to integrate sustainable practices across its operations, showcases EMPOWER's dedication to enhancing its knowledge base and technical expertise in water conservation technologies. Since initiating RO technology in 2012 at the Dubai Health Care City (DHCC) plant, EMPOWER has progressively expanded its application to other facilities, culminating in constructing RO plants at three of its eight district cooling plants in Palm Jumeirah.

This initiative aligns with Dubai's strategic goals to reduce the consumption of fresh water and explore alternative water sources, including seawater and treated sewage effluent, for district cooling operations. By purifying water from various impurities for reuse in cooling tower operations, EMPOWER demonstrates its innovative approach to sustainability and contributes to the preservation of water resources. The successful implementation of RO technology and the significant water savings achieved—equivalent to the volume of 982 Olympic swimming pools in 2023—highlight EMPOWER's growing intellectual capital in environmental stewardship and resource management.

Achievements in Innovation and Sustainability: EMPOWER's Golden Bridge Awards Success

In 2023, EMPOWER distinguished itself by securing two prestigious Gold Awards at the annual Golden Bridge Business and Innovation Awards 2022, a testament to its leading position in the energy and utilities sector. This accolade was in recognition of EMPOWER's substantial contributions to the district cooling industry, characterised by its innovative approach to sustainability and operational excellence. The awards celebrated the Company's commitment to enhancing the sector's standards through scientific and practical innovations, significantly advancing the adoption of district cooling globally.

EMPOWER's recognition as the 'Company of the Year' in the Energy and Utilities category underscored its success in implementing advanced technologies, such as Thermal Energy Storage (TES) systems and a sophisticated SCADA system for efficient energy usage and operational oversight. These technologies have enabled EMPOWER to achieve remarkable energy savings and contribute to protecting natural resources, aligning with the broader goal of fostering a sustainable future with a diversified economy and zero carbon emissions. The Company's achievements in this area motivate its teams to continue driving qualitative differences in the cooling industry and for decision-makers to embrace more integrated green practices.



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302, 305

Honoured with East Capital's "Discovery of the Year" Award for Sustainability Leadership

In 2023, Empower was honoured with the prestigious "Discovery of the Year" award at the East Capital Awards, highlighting our role as a global leader in district cooling services. This accolade underscores our commitment to energy efficiency and sustainability, solidifying our position on the international stage as a pioneer in the industry. East Capital, a distinguished asset manager specializing in emerging and frontier markets, recognizes companies that demonstrate remarkable growth and governance. This award from such a reputable institution signifies Empower's impactful contribution to sustainable urban energy solutions and our promising prospects for continued development.

Awards Won: Two Gold Awards at the Golden Bridge Business and Innovation Awards 2022, highlighting excellence and leadership.

EMPOWER's Acknowledged Global Leadership in District Cooling



EMPOWER's prominent role and pioneering leadership in the global district cooling industry have been internationally recognised, particularly highlighted by the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE). This commendation underscores EMPOWER's substantial contributions towards environmental sustainability and its alignment with strategic goals encompassing economic, social, environmental, and climate considerations. The recognition was notably expressed during the ASHRAE Conference and Expo 2023 reflecting the Company's innovative approaches and achievements in energy efficiency and sustainable cooling solutions.

The dialogue between EMPOWER's delegation and ASHRAE leadership, including the President and Executive Vice President of ASHRAE, focused on the exploration of new methodologies for cooling that emphasise energy efficiency, advanced thermal energy storage, and the use of direct energy sources. This conversation signifies EMPOWER's commitment to innovation and collaboration with leading academic and research institutions worldwide.

In partnership with ASHRAE, EMPOWER has been instrumental in developing the District Cooling Guide. This vital resource has gained international acclaim for its guidance on creating energy-efficient and environmentally friendly buildings compatible with district cooling systems. This guide is a testament to EMPOWER's dedication to setting industry standards and fostering the development of sustainable building designs.

Global Recognition:
EMPOWER's Blueprint
for Sustainable Cooling
Leadership.

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Leading the Charge:
EMPOWER's Visionary
Impact on Global District
Cooling.

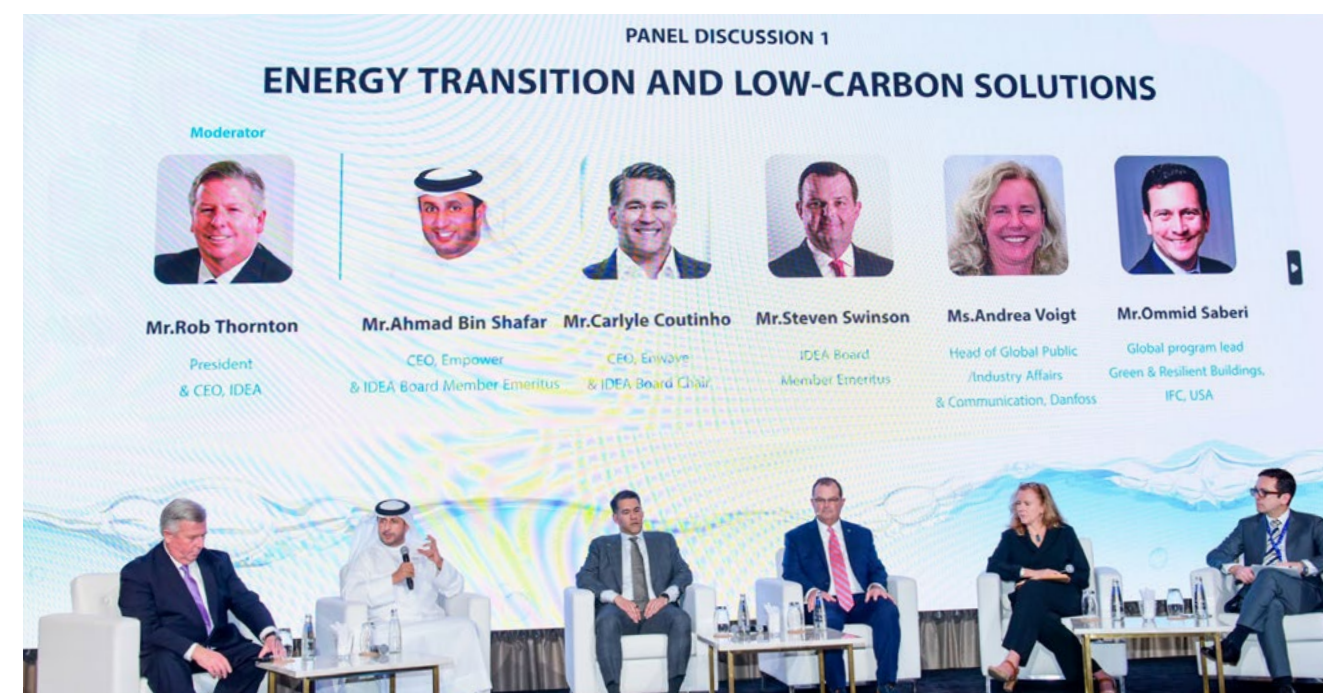
The Company's success and global leadership are attributed to the unwavering support from Dubai's higher leadership, positioning EMPOWER as a worldwide benchmark in the district cooling sector. This recognition not only celebrates EMPOWER's past achievements but also emphasises its team's responsibility to drive sustainability and innovation in the industry.

Our Strategic Influence and Intellectual Contributions in District Cooling Globally

EMPOWER's significant role at the IDEA 2023 Conference and Trade Show, combined with the CEO's notable reappointment for a fifth term on the Board of Directors of the International District Energy Association (IDEA), exemplifies the Company's substantial contributions to the intellectual capital in the district cooling industry on a global scale. EMPOWER showcased its commitment to advancing sustainable urban development as the event's diamond sponsor, facilitating an invaluable exchange of knowledge and innovative practices with district energy experts worldwide. This involvement demonstrated EMPOWER's leadership in promoting a culture of continuous learning and sustainability. It highlighted its efforts in steering the future of the district cooling sector towards greater energy efficiency.

The CEO's leadership, particularly as a Special Advisor on district cooling to the United Nations Environment Programme (UNEP), has been pivotal in advocating for environmental preservation and advancing green energy initiatives. These roles have positioned EMPOWER as a critical player in setting international standards and practices, enhancing the sector's intellectual capital through a rich exchange of insights on emerging technologies and investment trends, and shifting towards a lower-carbon future.

EMPOWER's proactive engagement in IDEA's initiatives and the Global Leaders' Panel discussion at the IDEA Conference 2023 have underscored the Company's strategic vision for a greener, more sustainable environment. By discussing strategic initiatives, such as its successful IPO and the robust investor confidence in the Company, EMPOWER has deepened its understanding of market dynamics and the importance of regulatory environments in fostering the growth of district cooling. Furthermore, EMPOWER's emphasis on adopting advanced technologies signifies the importance of intellectual capital in driving innovation within the industry.





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302-4, 303-5

EMPOWER at WETEX:
Driving the Future of
Sustainability Together.

UNSDG



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302-1, 305-4

Innovation at the Core:
EMPOWER Redefines
District Cooling.

Through its leadership and innovation, EMPOWER has advanced its intellectual capital and underscored the UAE and Dubai’s role as frontrunners in the global transition towards sustainable energy practices. This consolidated effort reinforces EMPOWER’s esteemed reputation as an innovator and leader in the district cooling industry, fostering a legacy of environmental stewardship and sustainable urban development.

Enhancing Intellectual Capital at WETEX 2023

EMPOWER marked its strategic sponsorship of the Water, Energy, Technology, and Environment Exhibition (WETEX 2023), reinforcing its commitment to intellectual capital within the sustainability sector. As a pivotal event in the global sustainability calendar, WETEX 2023, held under the theme ‘At the forefront of sustainability’ at the Dubai Exhibition Centre, provided EMPOWER with an unparalleled platform to contribute to the discourse on environmental protection, energy, and water conservation. This engagement showcased EMPOWER’s dedication to presenting innovative cooling solutions and advocating for the expansion of green buildings, aligning with the broader objectives of sustainable development and the green economy.

Through its participation, EMPOWER emphasised the critical role of district cooling in promoting sustainable real estate development, reflecting the Company’s leadership in integrating the latest technologies and innovations in district cooling. This initiative aligns with Dubai’s vision, prioritising sustainability and addressing climate change challenges, pivotal to growth and prosperity. EMPOWER’s active involvement in WETEX and similar international forums highlights its role as a pioneer in the district cooling sector, encouraging the adoption of sustainable solutions across various industries and genuine estate.



Pioneering Innovation in District Cooling: Our
Strategic Advancements

In May 2023, EMPOWER showcased its leadership in the district cooling industry to a select audience comprising industry experts, stakeholders, and partners through a focused exposition on the latest technological advancements and innovative practices in district cooling operations. This initiative underscored the Company’s dedication to pioneering sustainable solutions and operational efficiencies that set new benchmarks in providing district cooling services globally. EMPOWER’s commitment to innovation was highlighted through discussions on integrating cutting-edge technologies in the production and distribution of chilled water, emphasising a sustainable business model enriched with national and international expertise.

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Expanding Horizons:
EMPOWER’s Influence in
Latin America’s Sustainable
Energy Landscape.

The session delved into exploring ground-breaking solutions and the strategic initiatives EMPOWER undertook to enhance the district cooling infrastructure. By investing in modern technologies, EMPOWER is leading the charge in developing a reliable and sustainable ecosystem for district cooling, showcasing its commitment to exceeding international standards and contributing to environmental stewardship and energy conservation.

EMPOWER’s focus on innovation in district cooling is driven by a vision to transform the industry, leveraging extensive research and development to introduce efficiencies and environmental benefits across its operations. By embracing cutting-edge innovations and adopting a forward-thinking approach, EMPOWER is enhancing the quality of its services and leading the sector towards a sustainable future. This dedication to innovation reflects EMPOWER’s role as a key player in promoting sustainable urban development and contributing to the global district cooling industry.

Our Influence at LATAM2023: Fostering Sustainable
Urban Energy Solutions

EMPOWER became a thought leader and pivotal contributor at the forefront of sustainable energy solutions at the Latin America District Energy Conference 2023 (LATAM2023). This ground-breaking conference marked a significant gathering under Colombia’s Ministry of Mines and Energy and the Ministry of Environment and Territorial Development, with international support from the United Nations Industrial Development Organization (UNIDO), United Nations Environment Programme (UNEP), International District Energy Association (IDEA), Asociación Colombiana de Acondicionamiento del Aire y de la Refrigeración (Colombian Association of Air Conditioning and Refrigeration) (ACAIRE), and the Swiss embassy in Colombia. Themed ‘Sustainable Solutions for Latin America and the Caribbean,’ LATAM2023 aimed to catalyze sustainable development initiatives across the region, attracting a wide array of global leaders, government representatives, and sector experts.

EMPOWER’s active participation and key event sponsorship underscored its global leadership in district cooling and its dedication to sharing Dubai’s advanced practices in implementing sustainable solutions. In his capacity as a Special Advisor to the UNEP on District Cooling, the Company’s CEO played a critical role in panel discussions, shedding light on EMPOWER’s successful strategies to combat climate change and boost energy efficiency. This engagement facilitated a more profound exchange of ideas and fostered partnerships, showcasing district energy systems’ role in supporting sustainable development and climate action goals.

EMPOWER’s participation in LATAM2023 highlighted its intellectual leadership within the energy sector and stressed the criticality of public-private partnerships in realising sustainable urban energy frameworks. Through this platform, EMPOWER enhanced international collaboration and thought leadership, contributing to the discourse on sustainable solutions and emphasising Dubai’s model of energy districts as a benchmark for cities worldwide. This strategic engagement at LATAM2023 reflects EMPOWER’s commitment to leading the charge towards a greener economy, leveraging intellectual capital to spearhead innovation and sustainable practices within the global district cooling industry.



MDA

In a dynamic economic landscape, EMPOWER stands as a beacon of growth and resilience. Our Management Discussion & Analysis delves into strategic expansions, financial milestones, and the robust economic backdrop of the UAE, highlighting our journey towards sustainable prosperity. Amidst the evolving district cooling market, we remain committed to innovation, operational excellence, and delivering unmatched value to our stakeholders, ensuring EMPOWER's legacy as a leader in sustainable district cooling.



Management Discussion & Analysis (MDA)



>40%

Target percentage of cooling to be supplied by district cooling systems by 2030, a significant increase from the 18% recorded in 2019.

Amidst rising global urbanization and the growing demand for energy-efficient, sustainable cooling solutions, Empower stands poised to seize opportunities at the forefront of the district cooling services sector.

UAE Economy

According to the International Monetary Fund (IMF), the United Arab Emirates (UAE) economy is currently experiencing robust growth, primarily driven by vigorous domestic activity. For 2023, the IMF expects the UAE's real GDP to grow by 3.4%, while an even stronger growth of 4% is anticipated for 2024. This growth trajectory is underpinned

UAE's robust growth offers a dynamic backdrop for Empower's strategic expansion, aligning with the nation's vision for a greener and more sustainable future.

by substantial contributions from sectors such as tourism, construction, and real estate. The non-hydrocarbon GDP growth is expected to exceed 4% in the current year and maintain a similar pace in 2024. Social and business-friendly reforms, along with the UAE's status as a safe haven, continue to attract foreign capital and labour inflows, contributing significantly to economic growth and leading to a surge in real estate prices, especially in the high-end market segments.

Despite a slowdown in hydrocarbon GDP growth in 2023 due to OPEC+ production cuts, an acceleration is anticipated next year with the increase in the UAE's OPEC+ production quota. Overall, the UAE's real GDP is projected to grow around 3.4% in 2023. Fiscal and external surpluses are benefiting from high oil prices, with the fiscal balance expected to be around 5% of GDP in 2023. The introduction of a corporate income tax from June 2023 is anticipated to bolster non-oil revenue over the medium term. Additionally, public debt is on a declining trajectory, with Dubai Emirate significantly reducing its public debt in alignment with its Public Debt Sustainability Strategy. The current account surplus is also expected to be notably above the medium-term level in 2023 and 2024.

The banking sector remains well-capitalized and liquid, with profitability increasing alongside higher interest rates. Credit growth is steady, although somewhat moderated. However, the escalating real estate prices and tightening financial conditions highlight the need for vigilant monitoring of financial stability. The UAE's consistent reform efforts are supporting medium-term growth and aiding in a smooth energy transition. Continued focus on reform

prioritization and sequencing is crucial to ensure effective outcomes. These reforms include advancing a medium-term fiscal framework, boosting private sector employment, further developing the domestic capital market, and leveraging trade and investment in digital and green initiatives, all of which will help diversify the economy and enhance medium-term growth prospects.

This positive economic outlook for the UAE underscores a confident growth environment for companies operating within the country, such as Empower. The expected economic growth in the UAE, particularly in Dubai, will likely continue to fuel the demand for real estate and associated services, including district cooling systems. This environment should provide a favourable backdrop for Empower's strategic expansion and consolidation efforts within the region.

3.4%

Real GDP Growth Rate (2023): The UAE's real GDP growth rate in 2023, as projected by the IMF, signifying robust domestic activity.

4.0%

Anticipated Non-Hydrocarbon GDP Growth (2024): This highlights the diversification and sustainability of the UAE economy, with key contributions from sectors like tourism, construction, and real estate.



District Cooling Services: Global Market

According to an industry report on District Cooling Services by Fortune Business Insights, the global market value, which stood at \$28.19 billion in 2023, is anticipated to grow to \$44.46 billion by the year 2030. This trajectory represents a Compound Annual Growth Rate (CAGR) of 6.72% over the forecast period. This upward trend underscores the increasing adoption and integration of district cooling solutions in various sectors, driven by their efficiency and sustainability benefits.

(Source: <https://www.fortunebusinessinsights.com/industry-reports/district-cooling-market-100090>)

Sustainability Fuels Market Growth:

The demand for energy-efficient, sustainable cooling is reshaping urban infrastructure, outpacing traditional AC systems. A leading facilities management firm recently secured a district cooling project, indicative of a shift towards greener solutions. Global urbanization necessitates energy-smart buildings, with centralized cooling systems emerging as a popular choice.

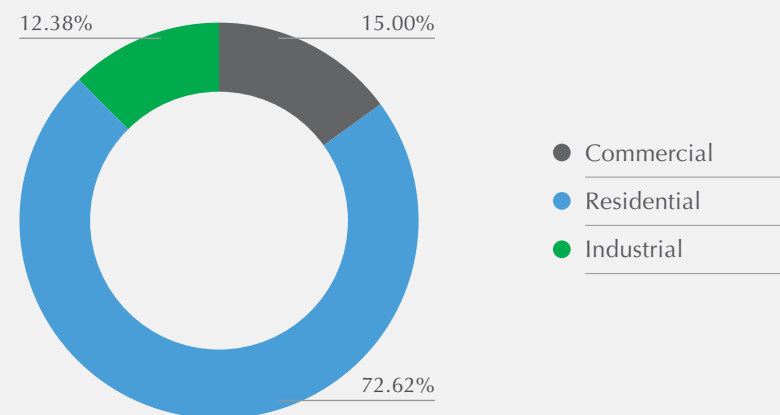
Heatwaves Drive District Cooling Demand:

As climate change amplifies heatwaves globally, district cooling systems are becoming vital in areas like the Middle East, Africa, Asia Pacific, and North America. These severe temperature rises to climate change, prompting investment in district cooling technologies for cost-effective, widespread relief.

Segments: The analysis of the global district cooling market spans five key regions: North America, Europe, Asia Pacific, the Middle East & Africa, and Latin America. The Middle East & Africa region is poised to capture a significant market share, driven by the expansion of commercial and residential sectors alongside the prevalent hot temperatures.



Global District Cooling Market Share by End-User for 2022



Source: Fortune Business Insights

North America has seen the introduction of comprehensive policies and initiatives aimed at bolstering energy efficiency in the construction sector. Adherence to energy-efficiency standards has been shown to yield a 20-40% reduction in energy consumption in buildings, enhancing energy security, and leading to a decline in greenhouse gas emissions. The International District Energy Association reports that the region benefits from nearly 400 district cooling systems servicing urban and academic communities.

The surge in commercial and residential developments in emerging markets of Middle East and Asia, particularly China, India, and Southeast Asia, is driving the demand for advanced cooling systems, indicating a robust growth potential for the industry.

Empower's district cooling services align seamlessly with Dubai's thriving real estate market, poised for robust growth and sustainability.

District Cooling Services: UAE Market

Dubai's commitment to sustainable development and clean energy is evident in its ambitious initiatives and comprehensive strategies aimed at transforming the city into a global leader in green energy. The emirate's proactive approach encompasses a range of policies and projects, from the Dubai Integrated Energy Strategy 2030 to the Dubai 2040 Urban Master Plan, all designed to foster an environment conducive to clean energy transition, particularly in the field of district cooling. These efforts are underpinned by robust macroeconomic fundamentals, including a rapidly growing real estate sector, a thriving tourism industry, and a forward-thinking government strategy.

The following points provide a detailed overview of Dubai's journey towards becoming a model city for sustainable energy and urban development:

- » Dubai's solid macroeconomic fundamentals, such as a resilient economy with one of the fastest growth rates in the region, and a growing population. The growth in Dubai's district cooling market is also supported by a strong increase in residential and hotel capacities. According to Mordor Intelligence, for the UAE residential real estate market. The UAE residential real estate market is projected to grow at a CAGR of more than 8% during the period 2022 to 2027. Proving this projection, in 2023, Dubai's real estate market experienced significant growth, with the introduction of over 77,000 new units, including both residential properties and hotel units. This development is a substantial increase from previous years, reflecting the city's ongoing expansion and

appeal as a major global real estate destination. Specifically, in 2023, Dubai witnessed the completion of 27,400 apartments and 4,650 villas. Additionally, 32,000 new residential properties, encompassing both villas and apartments, were expected to be available by the end of the year.

- » As of 2023, as per Dubai Statistics Centre's latest data, Dubai's population has seen a notable increase, reaching approximately 3.65 million. This represents a significant rise from the 3.55 million recorded at the beginning of the year. The increase is attributed to an influx of foreign workers, professionals, and investors, driven by factors such as Dubai's effective handling of the coronavirus pandemic, high returns on property investments, and the introduction of diverse residency permits. This population growth outpaced the rate in 2022, with Dubai adding 71,495 new residents in the previous year.

>70,000

Real Estate Market Growth (2023): New units, comprising residential and hotel properties. This makes Dubai a fertile ground for Empower's district cooling services.

>8%

Residential Real Estate Market Projection (2022-2027): The UAE's residential real estate market is anticipated to exhibit a CAGR > 8% from 2022 to 2027.



- » The “Dubai 2040 Urban Master Plan,” launched in March 2021, aims to make Dubai the world’s best city to live in. It focuses on sustainable development, preserving 60% of the land as natural reserves, and increasing areas for hotels and tourism by 134% by 2040, with an expected population growth to 5.8 million.
- » The Dubai Government is committed to increasing the use of renewable energy, aiming for 25% by 2030 and 100% clean energy by 2050. This ambition is supported by the establishment of the Dubai Green Fund, with a pledge of AED 100 billion. Dubai is actively pursuing its clean energy transition and carbon neutrality goals, as outlined in the “Dubai Integrated Energy Strategy 2030” initiated by H. H. Sheikh Mohammed bin Rashid Al Maktoum in 2011. This strategy aims to position Dubai as a global centre for clean energy and green economy, with district cooling (DCS) playing a significant role.
- » The Dubai Integrated Energy 2030 plan sets a target for 40% of Dubai’s cooling to be supplied by district cooling systems by 2030, up from 18% in 2019. This increase is expected to contribute approximately 13% towards the city’s 2030 strategy for electricity savings via demand side management.
- » Dubai’s strategy to become a global hub for tourism and living includes hosting 400 global events annually by 2025 and implementing attractive visa and residency schemes. This has made Dubai the third most preferred global city to move to and the top travel destination in 2022.

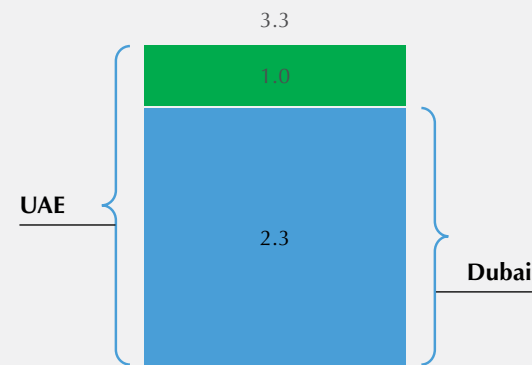
40%

40% of Dubai’s cooling is planned to be supplied by district cooling systems by 2030

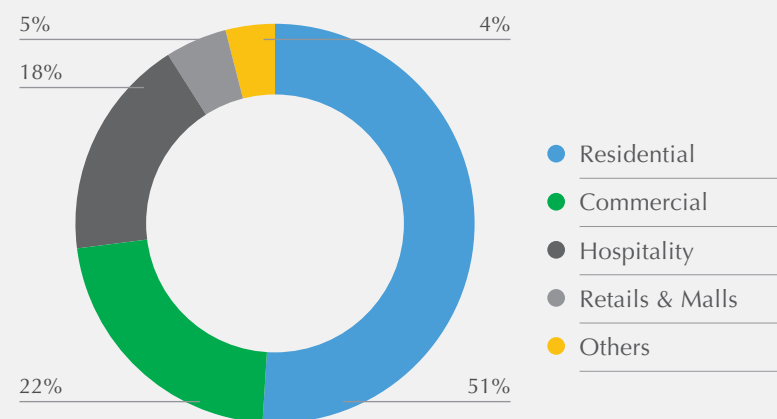
Dubai District Cooling Market by Numbers:

Company Information; FTI Market Report; DC Pro Analysis

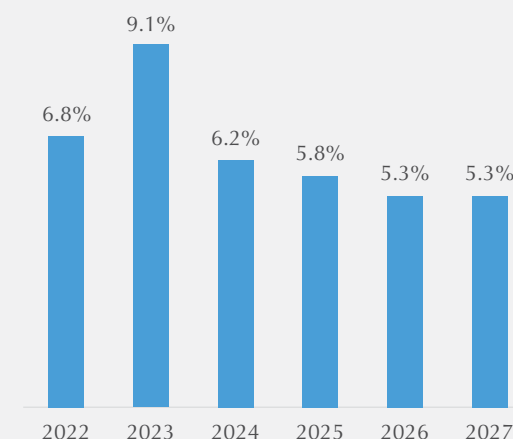
Installed Capacity (RT)



Dubai DC Market Share by Segment (%)



Estimated Cooling Demand Growth in Dubai (%)



Company Overview

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

On 14 November 2022, pursuant to Dubai Law No. 22 of 2022 (which repealed Law No. 10 and Law No. 3) (Law No. 22 of 2022) and any other legislation to the extent that it contradicts the provisions of Law No. 22 of 2022, 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 are the provision of DCS, the management, operation and maintenance of central cooling plants and related distribution networks.

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

We are the Largest District Cooling System (DCS) Provider in the World and the Clear Leader in Dubai. We stand as a beacon of innovation and reliability, serving as the exclusive provider of DCS to some of Dubai’s most iconic landmarks and developments.

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.

Empower 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. As at 31 December 2023, the Company had 87 district cooling plants, all of which are currently in Dubai and are providing exclusive DCS to some of Dubai’s most iconic landmarks and developments, including the Dubai Airport, 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 Company’s strategic assets across its well-balanced portfolio.

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

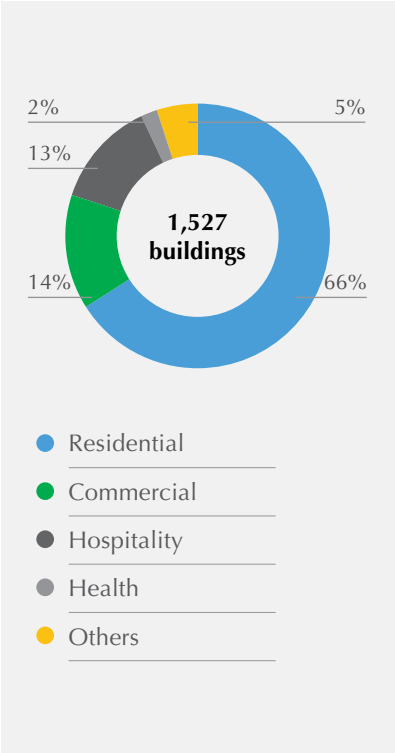
Empower has 87 district cooling plants by the end of 2023 and is the sole and exclusive provider of DCS to some of Dubai’s most iconic landmarks and developments. As the exclusive DCS provider for many of Dubai’s most iconic landmarks and developments, the Group is able to cater to varied project types and customers. The Company provides DCS to core aspects of Dubai’s economy, including residential, commercial, healthcare and hospitality buildings. In 2023, the Company provided DCS to 1,527 buildings. Of these buildings, 66% were residential buildings, 14% were commercial buildings, 13% were hospitality buildings, 2% were healthcare related buildings and the remaining 5% were other buildings.



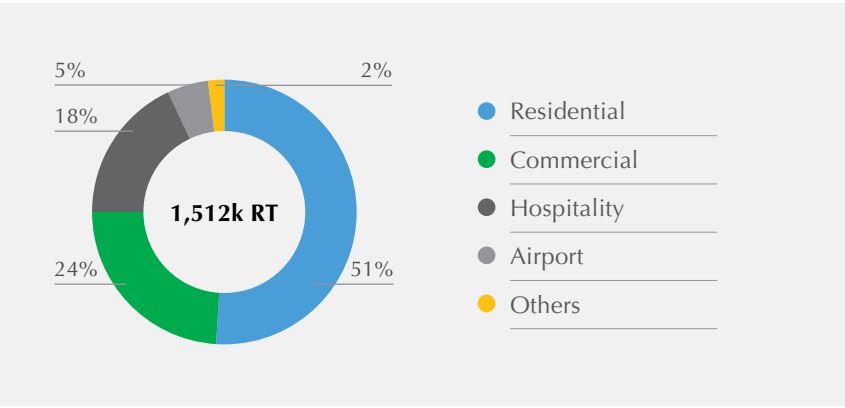
87

The number of district cooling plants operated by EMPOWER by the end of 2023

The diagram below provides a breakdown of the types of buildings the Company served in 2023:



The diagram below provides a breakdown of the Company’s connected capacity by types by the end of 2023:



Furthermore, the Company has established relationships with Dubai’s key master developers, leading to exclusive service provider rights to the connected area. The Company 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 Company has ongoing business once developments are completed. These service contracts provide a secure and recurring revenue stream for the Company 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.

Strategy

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

The Company’s organic growth strategy will be driven by secured RT growth from existing master developments. The Company 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 for projects developed by Dubai Holding and Nakheel.



History and Development

An overview of the principal events in connection with the history and growth of the Company’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.

2005:

The Free Zone Authority assigned its ownership interest in the Company to TECOM.

2006:

The Company implemented DCS in large-scale real estate developments.

2007:

The Company established the UAE’s largest pre-insulated pipe manufacturing facility.

2009:

The Company 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.

2011:

The Company introduced and increased the use of recycled treated sewage water.

2013:

The Company completed the largest district cooling acquisition in the market by acquiring Palm District Cooling (“PDC”), thus making the Company the world’s largest DCS provider in terms of connected capacity, revenues and net profits. PDC is the exclusive DCS provider to certain concessions, which includes Palm Jumeirah (Crescent and Trunk), Jumeirah Lake Towers and Gempex Buildings, Discovery Gardens and Ibn Battuta Mall and Gate Complex.

2015:

The Company’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 Company 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 Company received the Innovation Award for the “360° Solution for Metering Artificial Intelligence (AIMS 360). The Company acquired the Al Barari development district cooling plant.

2019:

The Company 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 Company received the Innovation Award Honourable Mention for its “Intelligent Delta-T Analyzer & Detector” technology.

2020:

The Company saved a total of 349 million gallons of potable water through the use of TSE. The Company acquired Meydan district cooling plants, adding another 382,000 RT to the Group’s future potential capacity. In addition, the Company connected the world’s tallest ferris wheel, Ain Dubai, to its district cooling network. The Company was awarded the “Company of the Year” award in the energy and utilities category for its practical innovations in developing the district cooling industry in the world.

2021:

The Company completed the acquisition of Nakheel district cooling plants for AED 674 million, which included 19 district cooling plants, more than 6,500 active customers and 14 active projects which added an additional 88,000 RT to the Company’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 Company’s network.

2022:

The Company commenced operation of its new cutting edge Za’abeel district cooling plant. Empower became a publicly listed company by listing on the Dubai Financial Market.

2023:

Connected Dubai Airport from July 2023 adding 110k RT in site capacity. Signed concession with Dubai Maritime City and Sobha developers for a total capacity of 80,000 RT. The United States Green Building Council awarded LEED Gold Certification to Za’abeel District Cooling Plant.



Financial Highlights



- » Revenue increased by 8.7% to AED 3,035m due to strong base of committed connected load of 1.5m RT.
- » EBITDA increased by 6.2% to AED 1,461m with EBITDA margins of 48.1% in 2023.
- » EBIT increased by 6.5% to AED 1,120m.
- » Paid final dividend of AED 425 million for the year 2022 in April 2023 and interim dividend of AED 425 million for the year 2023 in October 2023 to the Shareholders.

Financial Performance

Consolidated Statement of Income for the year ended 31 December 2023

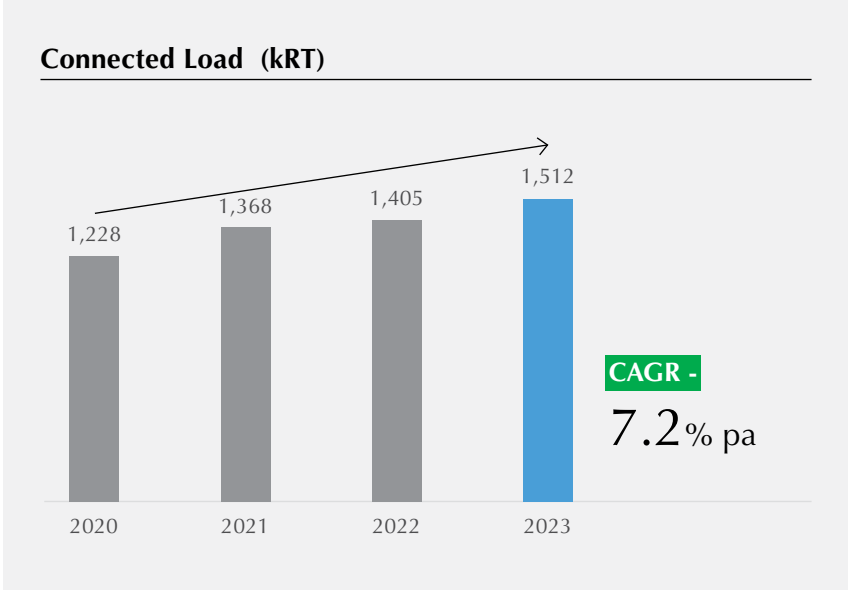
	2023 AED'000	2022 AED'000
Revenue	3,035,203	2,792,539
Interest income on financial asset at amortised cost	38,711	18,545
Cost of sales	(1,740,878)	(1,551,848)
Impairment reversal of project cost	-	12,727
Gross profit	1,333,036	1,271,963
General and administrative expenses	(220,285)	(209,977)
Provision for expected credit losses	-	(17,865)
Other income	7,120	7,765
Operating profit	1,119,871	1,051,886
Finance income	43,593	35,554
Finance costs	(220,833)	(86,685)
Finance (costs)/income - net	(177,240)	(51,131)
Profit before tax	942,631	1,000,755
Income taxes	17,454	-
Profit after tax	960,085	1,000,755

Revenue

Revenue for the year 2023 was AED 3,035 million, up 8.7% from the previous year. The Company's revenue is mainly generated through fixed demand charges for connected capacity and variable consumption charges based on amount of cooling delivered to respective customers.

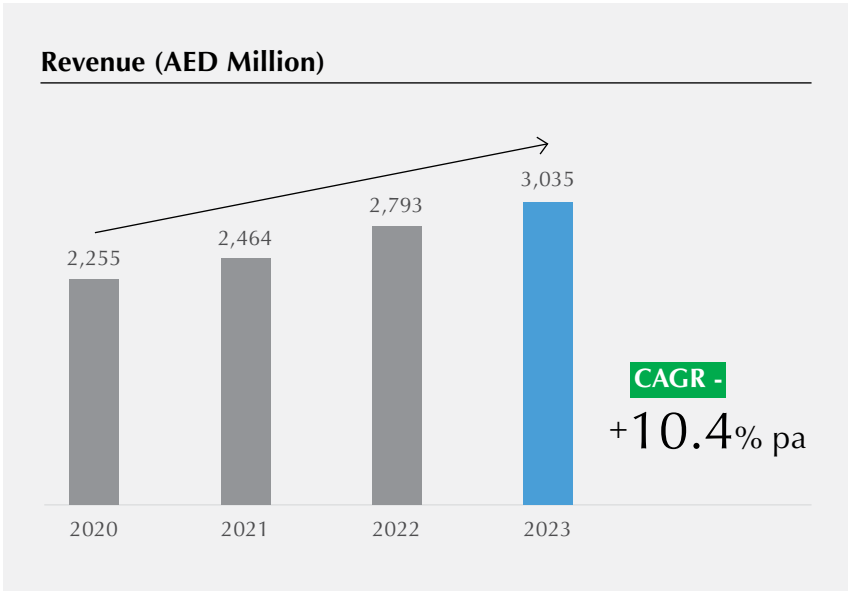
Connected Capacity

- » Providing 1.5m RT of cooling across Dubai with a compounded growth of 7.2% since 2020.
- » Long term concession with various master developers and builder developers.



Strong Revenue Model

- » Based on committed load and robust operating parameters, the Company continues to drive on the growth momentum.
- » Increased revenue on YoY basis by a minimum of 3% in 2020 to 8.7% in 2023 with a compounded growth rate of 10.4% since 2020.



8.7%

Revenue Growth: With revenue reaching AED 3,035 million in 2023, marking an 8.7% increase from the previous year, Empower demonstrates strong financial performance and steady growth trajectory.

7.5%

Connected Capacity Expansion: Empower operates 1.5 million RT of cooling capacity in Dubai, showcasing a compounded growth rate of 7.5% since 2019, underpinned by long-term concessions and strategic partnerships.

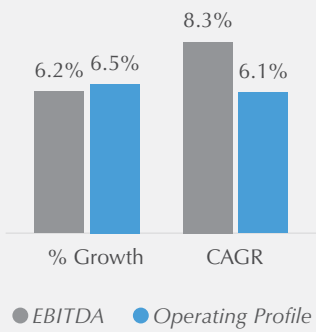
8.5%

Revenue Model Resilience: Empower's revenue model, anchored by committed load and operational efficiency, drives consistent revenue growth, ranging from 3% to 8.7% year-on-year since 2020, with a compounded growth rate of 8.5% since 2019.

Profit Growth

- » EBITDA grown at 6.2% in 2023 Vs 2022 with a compounded growth of 8.3% since 2019.
- » Operating profit grown at 6.5% in 2023 Vs 2022 with a compounded growth of 6.1% since 2019.

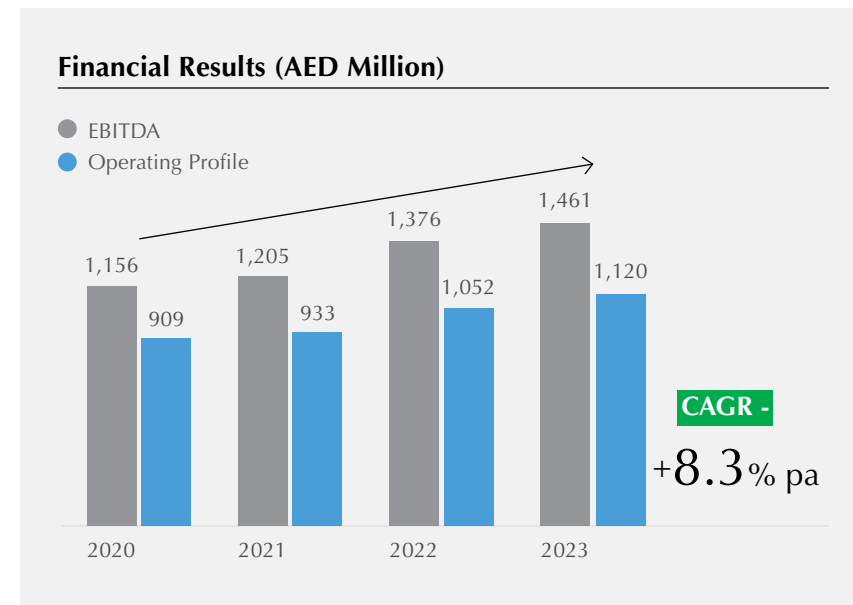
EBITDA Growth (%) - 2023 Vs 2022





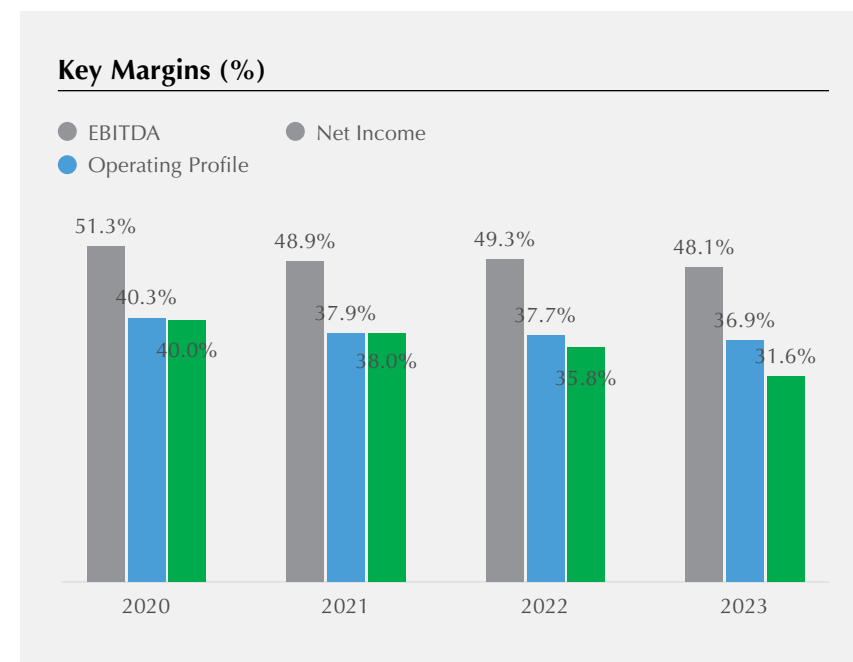
Robust performance

- » Strong EBITDA base driven by committed demand charges.
- » Operating profit grew by a compounded rate of 6.1% since 2019.
- » EBITDA grew by a compounded rate of 8.3% since 2019.



Creating Wealth To Shareholders

- » EBITDA margin of 48.1% in 2023 with an average margin of 49.2% during the period 2019-23.
- » Operating margin of 36.9% in 2023 with an average margin of 38.6% during the period 2019-23.
- » Net profit margin of 31.6% in 2023 with an average margin of 37.0% during the period 2019-23.



ROE



Empower believes the primary objective of the Company is to create wealth to the shareholders. It achieved the objective consistently over the years.

ROA



The return on asset ratio is above the average return in the industry and region.

Summary of financial position as at the end of the financial period

Consolidated Balance Sheet

	As at 31 December	
	2023 AED'000	2022 AED'000
ASSETS		
Non-current assets		
Property, plant and equipment	6,934,815	6,993,939
Right-of-use assets	3,994	2,943
Intangible assets	339,982	352,139
Deferred tax assets	17,454	-
Financial assets at amortised cost	1,324,786	301,003
Financial assets at fair value through other comprehensive income	54,153	52,911
Investment properties	85,645	72,859
Investment in a joint venture	307	307
	8,761,136	7,776,101
Current assets		
Inventories	43,730	46,151
Trade and other receivables	319,094	311,965
Due from related parties	8,821	31,396
Financial assets at amortised cost	19,105	4,154
Financial assets at fair value through profit or loss	10,000	-
Term deposits	27,500	11,300
Cash and cash equivalents	538,780	1,473,908
	967,030	1,878,874
Total assets	9,728,166	9,654,975
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	14,510	5,836
Contributed capital	82,190	82,190
Retained earnings	1,547,518	1,444,591
	3,144,218	3,032,617
Non-controlling interests	166,783	2,125
Total equity	3,311,001	3,034,742
LIABILITIES		
Non-current liabilities		
Bank borrowings	4,492,438	4,489,586
Government grant	305,558	308,338
Provision for employees' end of service benefits	54,666	56,035
Retentions payable	18,036	5,257
Lease liabilities	584	729
	4,871,282	4,859,945
Current liabilities		
Trade and other payables	1,403,263	1,497,509
Due to related parties	135,953	257,267
Government grant	3,170	3,170
Lease liabilities	3,497	2,342
	1,545,883	1,760,288
Total liabilities	6,417,165	6,620,233
Total equity and liabilities	9,728,166	9,654,975



Financial Position

- » The Company’s financial position is robust with our total asset portfolio of AED 9,728 million.
- » Gearing ratio at 54.2% at the end of financial period, indicating sufficient room for future expansion.
- » Net debt to EBITDA stands at 2.69x as at the end of financial period 2023 against the compliance requirement of 5.0x maximum.

Item	2023	2022
Loan outstanding	4,492	4,490
Less : Cash and cash equivalent	(566)	(1,485)
Net Debt Outstanding	3,926	3,005
EBITDA	1,461	1,376
Leverage Ratio	2.69x	2.18x

Consolidated Statement of Cash Flows

	Year ended 31 December	
	2023 AED’000	2022 AED’000
Cash flows from operating activities		
Net profit for the year	942,631	1,000,755
Adjustments for:		
Depreciation of property, plant and equipment	332,884	311,807
Depreciation of right-of-use assets	3,158	2,868
Amortisation of intangible assets	12,157	12,157
Settlement of financial assets	49,977	22,463
Impairment reversal of project costs	-	(12,727)
Amortisation of arrangement fee	2,852	8,476
Gain on disposal of property, plant and equipment	-	(29)
Gain on modification of right-of-use assets	(23)	(1,461)
Net impairment losses on financial assets	-	17,865
Provision for employees’ end of service benefits	7,186	15,968
Provision for impairment of slow moving and obsolete inventories	389	361
Interest on lease liabilities	104	295
Interest income earned on financial assets at amotised cost	(38,711)	(18,545)
Finance income	(43,593)	(35,554)
Interest expense on bank borrowings	217,877	90,652
Government grant income	(2,780)	(2,780)
Operating cash flows before changes in working capital and payment of employees’ end of service benefits	1,484,108	1,412,571
Changes in working capital:		
Inventories	2,032	(19,494)
Trade and other receivables before advances	6,005	(77,130)
Due from related parties	22,575	(27,778)
Trade and other payables	(692)	46,826
Due to related parties	(121,314)	90,980
Cash generated from operations	1,392,714	1,425,975
Payment of employees’ end of service benefits	(1,123)	(1,339)
Net cash generated from operating activities	1,391,591	1,424,636

	Year ended 31 December	
	2023 AED’000	2022 AED’000
Cash flows from investing activities		
Acquisition of subsidiary	(892,500)	-
Additions to property, plant and equipment	(320,144)	(434,860)
Short-term deposits (more than 3 months) redeemed/(invested)	(16,200)	103,500
Redemption/(investment) in financial assets at fair value through profit and loss	(10,000)	100,000
Finance income received	42,887	35,554
Additions to Investment properties	(12,786)	-
Proceeds from disposal of property, plant and equipment	-	29
Net cash used in investing activities	(1,208,743)	(195,777)
Cash flows from financing activities		
Proceeds from bank borrowings net of arrangement fee	-	5,406,211
Repayment of bank borrowings	-	(2,912,984)
Dividends paid	(850,000)	(3,400,000)
Principal element of lease payments	(3,176)	(2,819)
Interest element of lease payments	(104)	(295)
Finance costs paid	(264,696)	(90,652)
Net cash (used in)/ generated from financing activities	(1,117,976)	(1,000,539)
Net increase in cash and cash equivalents	(935,128)	228,320
Cash and cash equivalents at the beginning of the year	1,473,908	1,245,588
Cash and cash equivalents at the end of the year	538,780	1,473,908

Funds From Operations

The Company maintain an healthy conversion ratio of 95.3% (Funds from operation AED 1,392 million / EBITDA AED 1,461 million) due to robust collection mechanism established in the organization.

Investing Activities

During the year, the Company has successfully completed the acquisition of Dubai Airport for a consideration of AED 892.5 million to buy 85% shareholding in DXB CoolCo FZCO, an entity which owns

the concession to provide district cooling services to Dubai Airport. The Company also spent AED 320 million towards its capex expansion plan during the year.

Financing Activities

The Company paid AED 850 million as dividend to its shareholders. This comprise of AED 425 million of final dividend for the year 2022 and the balance AED 425 million as interim dividend for 2023 performance. The Company has incurred and paid the actual interest cost on bank borrowings AED 265 million during the year 2023.

Quarterly Performance-2023

Due to seasonality, our quarterly performance varies from one quarter to another and the table below summarizes our quarterly performance for the year 2023.

Financial Highlights 2023 - Quarterly

Item	Q1	Q2	Q3	Q4	2023
Revenue (AED m)	494	731	1,045	765	3,035
EBITDA (AED m)	289	366	419	387	1,461
EBITDA Margin	58.5%	50.1%	40.1%	50.6%	48.1%
EBIT (AED m)	201	277	331	331	1,120
Consumption Revenue % to TotalRevenue	37.4%	56.4%	68.1%	53.7%	56.6%
Connected load (Cumulative k RT)	1,413	1,420	1,497	1,512	1,512



Future Outlook

Empower's future strategy is rooted in its strong market presence and commitment to capitalizing on growth opportunities, especially within the UAE. The Company's recognition as a leading district cooling platform globally and its strategic initiatives are poised to maintain its significant role in the DCS industry amid Dubai's thriving real estate and economic environment.

Short-term and Long-term Strategic Goals: The robust growth of Dubai's real estate market, with a notable increase in residential and hotel capacities, significantly bolsters Empower's growth prospects. This surge in real estate development underscores a confident growth trajectory for Empower, as the increasing demand for residential

and commercial spaces directly translates to a higher demand for efficient and sustainable cooling solutions. Given these favourable market conditions, Empower is strategically focused on consolidating its peer position in the Dubai market, while also considering medium to long-term expansion into international markets such as KSA, Qatar, and others ripe for district cooling system (DCS) adoption.

Empower's outlook hinges on leveraging its market dominance and growth opportunities in the UAE, aiming to maintain its lead in the district cooling sector amidst Dubai's booming real estate. With strategic goals to lead Dubai's market and expand globally, Empower targets significant capacity and revenue growth by 2027, driven by demand in both existing and new developments.

In the short term, the Company aims to maintain approximately more than 80% of Dubai's district cooling connected capacity by the end of 2024, targeting year-on-year revenue growth in the lower teens, alongside an increase in connected capacity. For the long term, the goal is set to reach a minimum connected capacity of 1.8 million refrigeration tonnes (RT) by 2027, with an anticipated Revenue CAGR of 6.5%

to 7.5%. This growth is underpinned by a strategy to secure RT growth within existing master developments and through expansion into new projects and adjacent buildings.

Planned Investments and Growth Initiatives: Empower's investment strategy leverages a modular asset approach for district cooling plants, facilitating scalable capacity expansion and efficient capital expenditure. Key growth initiatives include strategic acquisitions, such as the Dubai International Airport District Cooling project, and organic growth through leveraging existing infrastructure for network expansion. This includes retrofitting older adjacent developments and exploring inorganic growth opportunities both locally and regionally. Empower plans to diversify its client portfolio by targeting corporate businesses

Our dedication to robust internal control systems underscores our commitment to operational excellence, financial integrity, and the highest standards of corporate governance, ensuring we lead with precision and compliance in every facet of our operations.

with longer operational hours and expanding its service reach.

Cautionary Statement

This Management Discussion and Analysis (MDA) document contains forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements are subject to risks, uncertainties, and assumptions and are identified by terminology such as "believe", "expect", "may", "will", "could", "should", "intend", "estimate", "plan", "predict", "continue", "assume", "position", "anticipate", or their negatives or other comparable terms.

While these forward-looking statements represent our judgments and future expectations concerning the development of our business, a number of risks, uncertainties,

and other crucial factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market conditions, global economic factors, regulatory changes, changes in the competitive environment, and the potential impact of pandemics.

The forward-looking statements in this MDA are made as of the date of this document, and the Company expressly disclaims any obligation or undertaking to publicly release any updates or revisions to any forward-looking statements contained herein to reflect any change in its expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based, except as required by law. Investors are cautioned to take notice of the risk factors that could affect the Company's actual results. Please refer to the 'Risk Factors' section of this document.





GOVERNANCE

In the realm of corporate governance, EMPOWER exemplifies excellence and integrity. Our Corporate Governance Report (CGR) encapsulates our dedication to transparency, ethical practices, and robust governance structures. It showcases our adherence to global standards, our commitment to stakeholder engagement, and our journey towards sustainable corporate leadership. As we navigate through challenges and opportunities, our governance framework ensures resilience, accountability, and strategic foresight, reinforcing EMPOWER's position as a reliable proxy for responsible corporate stewardship in the district cooling industry.



Corporate Governance Report



The Company prioritizes stakeholder interests, grounded in accountability, responsibility, fairness, and transparency. Its governance framework enables strategic oversight, risk management, and operational integrity, showcasing a commitment to superior corporate governance.

Emirates Central Cooling Systems Corporation PJSC (“Empower” or the “Company”) is a company incorporated in Dubai and was listed on the Dubai Financial Market (“DFM”) on 15 November 2022. Empower has issued this report pursuant to the provisions of Article 77 of Decision

No. 3 of 2020 issued by the Chairman of the Board of Directors of the Securities and Commodities Authority concerning Approval of Joint Stock Companies Governance Guide (“Governance Guide”) and amendments to SCA Governance Guide published under SCA’s Board of Directors Decision no. (2/RM) of 2024.

Corporate Governance Framework

The Company’s corporate governance reflects the commitment to safeguarding the interests of its stakeholders. The Company’s corporate governance principles are based on four pillars mentioned in the Governance Guide, namely i) accountability, ii) responsibility, iii) fairness and iv) transparency and disclosure.

The Company’s corporate governance framework consists of its governing bodies and corporate governance policies and procedures, which define the competencies of the governing bodies and other corporate governance rules and the practices to be followed by the company, in line with laws, regulations and best practices. The key elements of the governance framework of the company are:

- » the General Assembly of the Shareholders;
- » the Board of Directors;
- » the Board committees;
- » the Chief Executive Officer (CEO) and the executive management;
- » the Internal Audit; and
- » the External Auditors.
- » the Compliance Officer.

The shareholders elect the members of the Board and the external auditors and approve required resolutions at the Annual General Meeting (AGM), such as adoption of the consolidated financial statements, approval of the Board of Directors’ remuneration, distribution of profits, etc. The Board and its committees are responsible for the overall strategic direction, reviewing and assessing the effectiveness of the framework for risk management, internal control & compliance, supervision and control of the Company and appointment of the CEO. The CEO is responsible for the day-to-day operational management of the Company’s business and developing and implementing its business plans.

The Company’s corporate governance policies and procedures are defined in a series of documents, including the following:

Particulars	Description
Articles of Association (AoA)	» Defines the purpose of the business, the capital structure and the basic organisational framework
Organisation structure	» Defines the organisation structure of the Company and the responsibilities and authority of the Board, its committees and executive management within the Company, as well as the relevant reporting procedures.
Board charter	» Outlines the organisation and responsibilities of the Board.
Board committee charters	» Defines the organisation and responsibilities of the committees.

Particulars	Description
Code of Conduct	» Defines the Company’s purpose, culture, values and behaviours that all employees are required to follow, including adherence to all relevant laws, regulations and policies.
Insider Dealing Policy	» Defines the principles and procedures for dealings in the Company’s shares by its employees and insiders possessing material information.
Ombuds Policy	» Enables employees and other stakeholders to voice their concerns related to any suspected fraud, wrongdoing, or unethical conduct that may bring disrepute to the organisation or cause financial loss (refer: https://www.empower.ae/contact-us/ombuds/).
Delegation of Authority (DOA)	» Defines authority matrix for Management and the Board of Directors.

1) A statement of the measures taken to complete the corporate governance system during the year 2023, and how to implement them.

The key activities implemented during 2023 include:

- Developing, adopting policies and enhancing the Corporate Governance framework within the Company.
- Institutionalizing the Company’s Delegation of Authority (DOA).
- Approving and authorising the formation of a Technical committee. The purpose of the Committee is to assist the Board with its responsibility to oversee technical, project and operational matters arising as part of the Company’s ordinary course of business and, in this regard, to review, evaluate, endorse/ provide recommendations on such matters, in accordance with the Company’s approved delegation of authority (“DOA”), constitutional documents and prevailing policies and as may be directed by the Board from time to time.

2) A statement of the ownership and dealings of the members of the Board of Directors, their spouses and their children in the Company’s securities during the year 2023:

The Company’s Insider Dealing Policy provides the framework for Board members and employees while dealing with the Company’s securities. The Board is committed to complying with the policy, and the following table sets forth the details of all purchases and sales of the Company’s shares undertaken by our Directors, their spouses and their children in 2023:



Director	Position	Shares owned as at 31 Dec 23	Total Sale	Total Purchase
H.E. Saeed Al Tayer	Chair	-	-	-
Mr. Hussain Lootah	Director	-	-	-
Mr. Nasser Lootah	Director	2,416	-	-
Mr. Amit Kaushal	Director	-	-	-
Mr. Issam Kazim	Director	-	-	-
Ms. Fatma Belrehif	Director	-	-	-
Mr. Majed Al Joker	Director	-	-	-

3) Composition of the Board of Directors:

a. Statement of the formation of the current Board of Directors (with the addition of the names of the resigned and appointed members of the Board of Directors).

The Board currently consists of seven (7) members who were appointed for a term of three (3) years on 14 October 2022. The Board and its committees are as shown in the table below:

Director	Position	Category*	Audit & Risk Committee	Nomination, Remuneration & ESG committee	Technical Committee
H.E. Saeed Al Tayer	Chair	Independent Non-Executive	-	-	-
Mr. Hussain Lootah	Director	Independent Non-Executive	Chair	-	Chair
Mr. Nasser Lootah	Director	Independent Non-Executive	Member	Chair	Member
Mr. Amit Kaushal	Director	Non-Executive	Member	Member	-
Mr. Issam Kazim	Director	Independent Non-Executive	Member	-	-
Ms. Fatma Belrehif	Director	Independent Non-Executive	-	Member	-
Mr. Majed Al Joker	Director	Independent Non-Executive	-	Member	Member

Note: Categorised as per Chairman of Authority’s Board of Directors’ Decision no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide. Amendments to SCA Governance guide published under SCA’s Board of Directors Decision no. (2/RM) of 2024, which officially came into effect on January 16, 2024, following their publication on January 10, 2024 have not been considered.*

Profile of the current Board of Directors

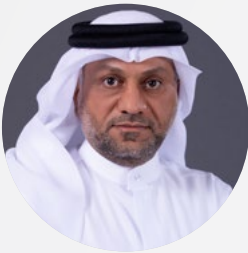


H.E. Saeed Al Tayer

His Excellency Saeed Al Tayer is the Chairman of the Company since 2007 and has served as a member of the Board of Directors since 2004. He also serves as Managing Director and Chief Executive Officer of

Dubai Electricity and Water Authority (DEWA) PJSC. He has more than 35 years of experience in Dubai in the fields of telecommunications, energy and water. He was appointed as General Manager of Dubai Electricity Company (DEC) in 1991 and subsequently, upon the merger of Dubai Electricity Company and Dubai Water Department (DWD), was appointed as General Manager of DEWA in 1992. In 2022, His Excellency steered both Empower and DEWA in their successful public listing, attracting overwhelming global demand. He is 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. He is the first UAE personality to be awarded an Honorary

Fellowship from the Energy Institute, UK, and received the Excellence and Creative Engineering Award in the Leading Personnel Category from the Society of Engineers - UAE. His Excellency Al Tayer also holds various positions and director roles both within and outside of the Group.



Mr. Hussain Lootah

Engineer Hussain Lootah, a UAE National, accredited his Bachelors in Electrical & Electronical Engineering Degree from California State University, USA in the year 1993.

Upon graduation, he joined Dewa in September 1993 as an Engineer in the Field Service Sector of the Maintenance Department. With his years of practical expertise, hard work, and amalgamation of technical & leadership capabilities he scaled his way through to manage the Electricity Transmission & Distribution Maintenance, Operations and Projects and presently holding the position of Executive Vice President of Transmission - Power Division of Dubai Electricity and Water Authority.

Mr. Lootah has been serving as a Director of the Company since 2006. 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 and is a graduate of MBR Center for Leadership Development.



Mr. Nasser Lootah

Mr. Nasser Lootah has been serving as a Director of the Company since 2010 and as Chairman of the Finance & Audit committee and member of the Technical

Committee from the year 2017 till September 2022. Since October 2022, he has been the Chairman of the Nomination and Remuneration & ESG Committee and, a member of the Audit & Risk Committee and Technical Committee. Mr. Nasser Lootah also served as Advisory Committee Chairman for Dubai’s Supreme Council of Energy from 2011 to 2022. He is also a Board member and Chairman of the Technical Committees of SHUAA Energy 1, SHUAA Energy 2, SHUAA Energy 3, SHUAA 4, Hassyan Energy Phase 1 and Noor Energy 1. He is also a member of the Board of Trustees in UAE Water Aid Foundation, SUQIA and a Director of Oilfields Supply Center Ltd. Mr. Nasser Lootah has been serving as Executive Vice President of Generation (Power and Water) at DEWA since 2005. He holds a Master’s Degree in Electrical & Electronics Engineering from Oregon State University, USA.

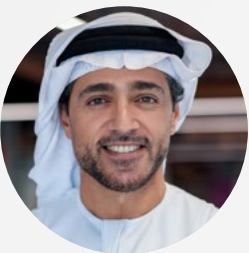


Mr. Amit Kaushal

Mr. Kaushal has been serving as a Director of the Company 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 and accomplished unparalleled results, further cementing Dubai Holding’s position as one of the UAE’s largest and most diverse investment conglomerates. Over the course of his tenure, Mr. Kaushal has led several transformational initiatives that have helped spur sustainable economic growth through diversification and investments in strategic partnerships, both in UAE and internationally, including Ain Dubai and the Brookfield Asset Management joint venture. Amit has also been instrumental in strengthening Dubai Holding’s position as a global leader in the luxury hospitality market through strategic acquisitions of flagship properties such as The Westin-Paris Vendome (France), Le Richemond (Switzerland) and Capri Palace (Italy). He has also served on the boards of several regional and international hospitality, energy, retail and real estate organisations and currently serves as a non-executive director of TECOM Group PJSC and Azadea Holding Company DIFC Ltd. He also serves on the Advisory Board of Warwick Business

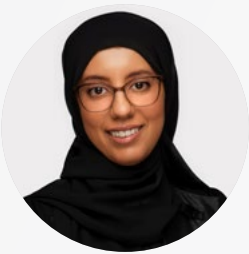


School, a leading Russell Group university in the UK. Mr. Kaushal has vast experience in financial services, having spent more than a decade in the earlier years of his career with leading investment banks in London and Dubai, where he worked for Goldman Sachs, UBS and Deutsche Bank across transaction advisory, structuring and capital markets disciplines. Mr. Kaushal holds a Master of Philosophy degree in Finance from the University of Cambridge and a BSc (First Class Hons.) in Mathematics, Operational Research, Statistics and Economics from the University of Warwick.



Mr. Issam Kazim

Mr. Kazim has been serving as Director of the Company since 2021. He also serves as the Chief Executive Officer of Dubai Corporation for Tourism and Commerce Marketing (“DCTCM”), which was established in December 2013 as an affiliate of Dubai’s Department of Economy and Tourism. Having built and developed DCTCM from the ground up, Mr. Kazim leads all activities relating to the branding, promotion and marketing of the Emirate of Dubai. Since taking up his role as Chief Executive Officer of DCTCM, Mr. Kazim has been instrumental in negotiating and facilitating global partnerships and in developing innovative destination tools and data-driven platforms to enhance the visitor experience in Dubai and scaling up the ‘Visit Dubai’ digital and social ecosystem. He also plays an integral role in the development of relationships with industry stakeholders, partners and investors who contribute to the overall growth of tourism in Dubai. Mr. Kazim previously served as Director of Corporate Marketing and Communication for Dubai World Trade Centre (“DWTC”) and as Director of DXB Live, a subsidiary of DWTC, where he was responsible for creating and developing strategic live events such as Dubai Sports World, Dubai Music Week and Dubai Classics. He currently serves as a member of the Board of the Dubai Media Council, a position he has held since 2021.



Ms. Fatma Belrehif

Ms. Belrehif has been serving as Director of the Company since 2022. She also serves as the Chief Executive Officer of the 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. Ms. Belrehif chairs the Inclusive Education Task Force in the Emirate of Dubai, as part of the “My Community...A City for Everyone” initiative under the oversight of the Higher Committee for the Protection of the Rights of People of Determination. Ms. Belrehif has been recognised as a “Distinguished Employee” by the Dubai Government Excellence Programme. Ms. Belrehif holds a Bachelor of General Science in Education from Zayed University and a Masters in Public Administration from the Mohammed Bin Rashid School of Government. Ms. Belrehif is a graduate of the Dubai Leaders 2021 Program through the Mohammed Bin Rashid Center for Leadership Development.



Mr. Majed Al Joker

Mr. Al Joker has been serving as Director of the Company since 2022. He has also been in an executive role in Dubai Airports 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, Safety and Sustainability. Mr. Al Joker previously served as Deputy Director, Airport Operations at the Abu Dhabi Airports Company and as 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.

b. A statement of the percentage of representation of women in the Board of Directors for the year 2023 (in the absence of representation, please indicate that there is no representation).

Ms. Fatma Belrehif represents women on the Board of Directors of the Company.

c. A statement of the reasons why no female candidacy for membership of the Board of Directors.

Not applicable.

d. Statement of remuneration, allowances and fees received by members of the Board of Directors:

i. Total remuneration of members of the Board of Directors paid for the year 2022:

The proposed fees (as detailed below) for attending the sessions of the committees will be presented for the approval of the shareholders at the upcoming Annual General Meeting.

Position	AR Committee	NR & ESG Committee	Technical Committee
Chair	AED 15,000/- per meeting	AED 15,000/- per meeting	AED 15,000/- per meeting
Member	AED 10,000/- per meeting	AED 10,000/- per meeting	AED 10,000/- per meeting

iv. Details of allowances, salaries or additional fees received by a member of the Board of Directors other than allowances for attending committees and their reasons:

Nil.

Remuneration for 2022 (for the period 14-Oct-2022 to 31-Dec-2022) paid in 2023 after approval at last AGM amounts to AED 1,190,411.00

ii. The total remuneration proposed for the members of the Board of Directors for the year 2023, which will be presented at the annual general meeting for approval:

The Board remuneration proposal for 2023, AED 5,800,000/- (including sitting fees), will be presented for approval of shareholders in the upcoming Annual General Meeting (AGM).

iii. A statement detailing allowances for attending the sessions of the committees emanating from the Board that the members of the Board of Directors received for the fiscal year 2023:

v. The number of board meetings held during the fiscal year 2023 with an indication of the dates of their holding, and the number of personal attendance times for all members with a statement of members present by proxy (the names of the members of the Board of Directors must match as mentioned in Clause (3a) above):

The Board held 6 meetings as detailed below:

Director	Position	12 February 2023	04 May 2023	03 August 2023	03 November 2023	15 November 2023	18 December 2023
H.E. Saeed Al Tayer	Chair	P	P	P	P	P	P
Mr. Hussain Lootah	Director	P	P	P	P	P*	P
Mr. Nasser Lootah	Director	P	P	P	P	P	P
Mr. Amit Kaushal	Director	P	P	P	P	P	P
Mr. Issam Kazim	Director	P	P	P	P*	A	A
Ms. Fatma Belrehif	Director	A	P	P	P	P	P
Mr. Majed Al Joker	Director	P	P	P	P	A	A

P = Present; A = Absent; P* = Attended by Proxy

vi. The number of board decisions passed by circulation during the fiscal year 2023, with an indication of the dates of their convening:

Empower’s Board makes resolutions by circulation in case of a business requirement. In such cases, all documents related to the proposed resolution and recommendations of the internal committees are shared with the Board. Accordingly, the Board

Members can review and make an informed resolution.

The Board has passed 3 resolutions by circulation during 2023 with the following dates:

- 26th February 2023
- 20th September 2023
- 16th October 2023



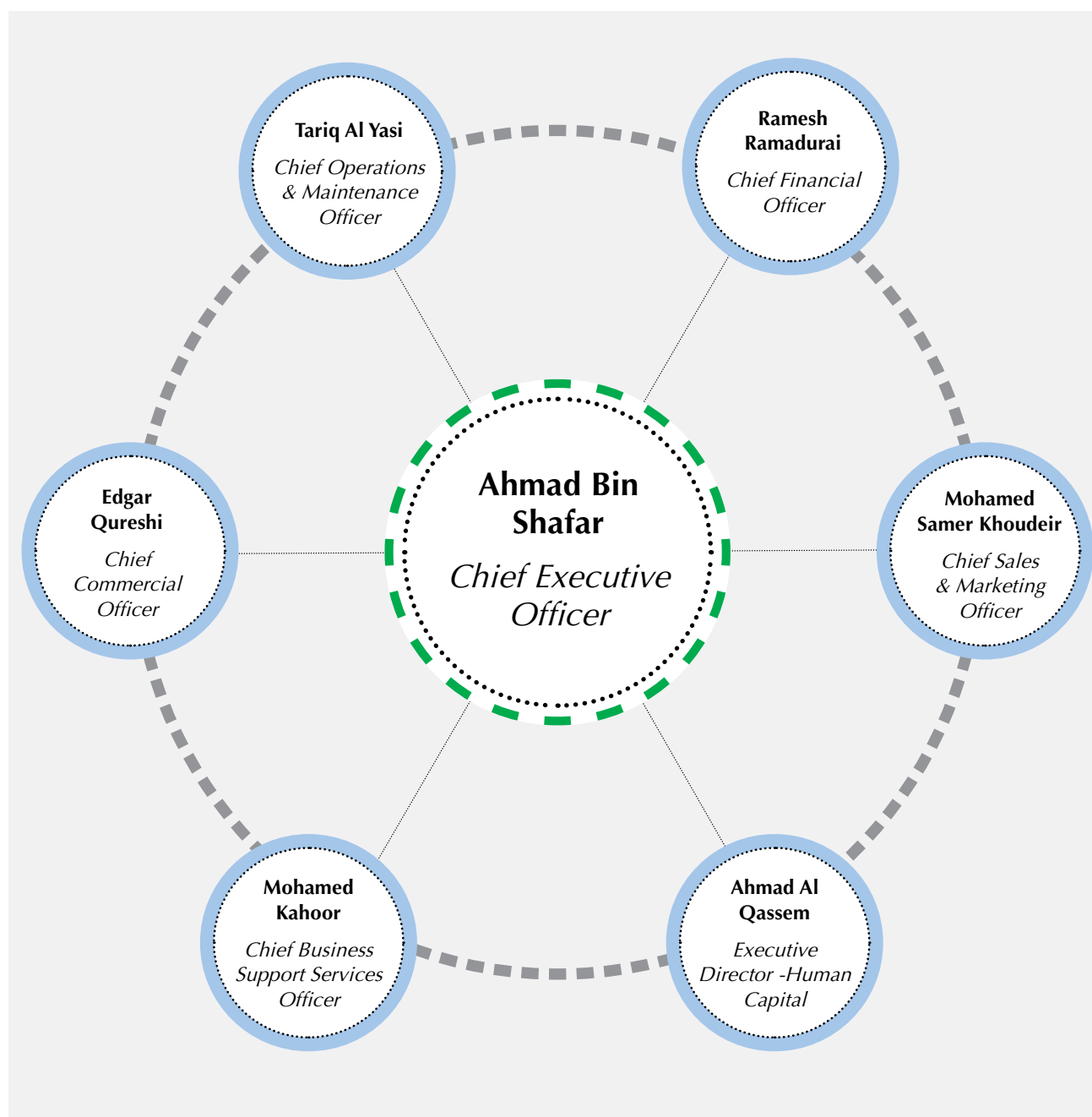
vii. A statement of the tasks and competencies of the Board of Directors that were carried out by a member of the Board or the Executive Management during the year 2023 based on an authorisation from the Board, specifying the term and validity of the authorisation:

The Board has delegated the day-to-day management to the Chief Executive Officer. The Board has defined and approved the Company's DOA, which determines the limits that may be approved by the Chief Executive Officer, Chairman and Board of Directors. This DOA is reviewed on a periodic basis and revised based on the requirements of the Company.

viii. A statement of the details of transactions that took place with related parties (stakeholders) during the year 2023:

The Company has not entered into any transaction with related parties in accordance with the definitions provided for these terms in the Governance Guide. Note 12 of the consolidated financial statements for the year 2023 provides the key related party transactions as such term is defined in the International Financial Reporting Standards (IFRS) and which are already reflected in the consolidated financial statements for the year 2023, and carried out during the year in the normal course of business on the terms agreed between the parties.

ix. The Management of the Company consists of the following:



Mr. Ahmad Bin Shafar – Chief Executive Officer

Mr. Bin Shafar joined the Company at its inception and has been serving as its Chief Executive Officer since inception. Mr. Bin Shafar has been with the Company for 20 years and brings over 28 years of experience in senior management positions, including eight years with Standard Chartered Bank in Corporate and Retail Banking, Finance, Marketing and Customer Relations. Under the leadership of Mr. Bin Shafar, Empower has become the World's Largest DCS provider, from a capacity perspective, within a short span of a decade. Mr. Bin Shafar also serves as the Chairman of the Board of Directors of ELIPS since 2007, as a Board Member Emeritus of the International District Energy Association, since 2013, as Chairman of Association of District Cooling Operators, Dubai since 2020, and as a member of the Board of Dubai Sports Council, from 2009 to 2022. Mr. Bin Shafar is also the Chairman of Hamdan Sports Complex and Al Wasl Club, Dubai. Mr. 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. Mr. Bin Shafar holds a Bachelor's of Science in Business Administration in Management from California State University, Los Angeles, USA.



Eng. Tariq Al Yasi – Chief Operations and Maintenance Officer

Mr. Alyasi joined the Company in 2006 and has been serving as Chief Operations and Maintenance Officer since 2010 and as Acting Head of the Project Management Office since 2016. Mr. Alyasi has over 26 years of experience and has been with the Company for 17 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. Mr. Alyasi has also served in multiple other roles throughout

the Company. Mr. Alyasi holds a Bachelor's of Science in Petroleum Engineering from the University of Tulsa, USA.



Mr. Ramesh Ramadurai – Chief Financial Officer

Mr. Ramadurai joined the Company 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, accounting, and 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. Mohamed Samer Khoudeir – Chief Sales & Marketing Officer

Mr. Khoudeir joined the Company in 2005 and has been serving as Chief Sales & Marketing Officer since 2010. With over 33 years of experience in the air conditioning industry, including in the fields of heating, ventilation, air conditioning and refrigeration products and services, Mr. Khoudeir is responsible for the Company's sales, marketing and customer service functions. Mr. Khoudeir also serves as the General Manager and board member of ELIPS. Prior to joining the Company, Mr.



Khoudeir held management positions at Carrier Global Corporation. Mr. Khoudeir is a member of the American Society of Heating, Refrigerating and Air-Conditioning Engineers, the Syrian Society of Engineers and the UAE Society of Engineers. Mr. Khoudeir holds a Bachelor's Degree in Mechanical Engineering from Aleppo University, Syria, and a Post Graduate Certificate in Management from Bournemouth University, UK.



Mr. Mohamed Kahoor – Chief Business Support Services Officer

Mr. Kahoor joined the Company in 2005 and has been serving as Chief Business Support Services Officer since 2019. Mr. Kahoor has over 35 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 TECOM Group and DEWA. At TECOM Group, Mr. Kahoor held the positions of Head of Administration, Director of Commercial Operations Services Corp and 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 store operations and Inventory Management. Mr. Kahoor holds a Bachelor's of Science in General Business Administration from the University of Arizona, USA.



Mr. Ahmad Al Qassem – Executive Director – Human Capital

Mr. Al Qassem joined the Company in 2013 as a Senior Manager for Human Capital, serving as Director of Human Capital since 2018 and as Executive Director of Human Capital since 2019. Prior to this, Mr. Al Qassem served in various senior management roles for DP World, Dubai Properties Group and Serco ME. Mr. Al Qassem holds a Bachelor's Degree in Public Administration from Al-ain University, UAE.



Eng. Edgar Qureshi – Chief Commercial Officer

Mr. Qureshi joined the Company in 2004 and has been serving as Chief Commercial Officer since 2014. Prior to joining the Company, Mr. Qureshi worked at TECOM Group and has over 29 years of management experience in developing commercial and project management departments in numerous high-profile start-up companies. Since joining the Company, Mr. Qureshi has led and developed the contract, commercial, procurement and legal functions of the Company and has led contractual and commercial negotiations of the Company's joint ventures and acquisitions. In addition to establishing the Company's commercial department, Mr. 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. Mr. 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. Mr. Qureshi also serves as a board member for ELIPS. Mr. Qureshi holds a Bachelor's of Civil Engineering from the 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.

x. A detailed statement of the senior executives, their positions and dates of appointment with a statement of the total salaries and bonuses paid to them:

Name	Position	Date of appointment
Mr. Ahmad Bin Shafar	Chief Executive Officer	20-Feb-04
Mr. Tariq Al Yasi	Chief Operations and Maintenance Officer	30-Apr-06
Mr. Ramesh Ramadurai	Chief Financial Officer	1-Apr-04
Mr. Samer Khoudeir	Chief Sales and Marketing Officer	3-Apr-05
Mr. Edgar Qureshi	Chief Commercial Officer	1-Jun-04
Mr. Mohamed Kahoor	Chief Business Support Services Officer	1-Sep-05
Mr. Ahmad Al Qassem	Executive Director – Human Capital	10-Jun-13

Note: The bonuses for 2023 and any salary increments for 2024 will be considered by the NR and ESG Committee and approved by the Board in Q1 2024. The total salaries and allowances paid for 2023 including bonus for 2022 to the senior management of the Company is AED 25,983,989/-.

4) External Auditor:

a. Presenting a brief about the Company's auditor to the shareholders:

PwC has operated in the Middle East region for more than 40 years and employees more than 10,000 people across 12 countries: Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, the Palestinian territories, Qatar, Saudi Arabia and the United Arab Emirates.

PwC's regional team operates across the Middle East, bringing international experience delivered within the context of the region and its culture. They can bring the collective knowledge and experience of more than 360,000 people across the entire global PwC network in advisory, assurance and tax to help find the value clients are looking for.

In UAE, PwC has five offices in three main locations: Abu Dhabi, Dubai and Sharjah.

b. A statement of the fees and costs of auditing or services provided by the external auditor:

Particulars	Details
The name of the audit office and the name of the auditor Partner.	» Audit Firm - PricewaterhouseCoopers Limited Partnership Dubai Branch » Partner – Mr. Murad Alnsour
The number of years he spent as an external auditor For the Company.	» Two years
The number of years spent by the partner auditor in auditing the Company's accounts.	» Two years
Total audit fees for the year 2023 (AED).	» AED 1,358,825.00
Details and nature of other services provided by the Company's auditor and in the absence of other services this is stated explicitly.	» Other services provided majorly include Corporate Tax impact assessment service

Particulars	Details
The value of fees and costs of other special services other than auditing the financial statements for 2023 (AED), if any, and in case of absence of any other fees, this is stated explicitly.	» AED 327,025.00
A statement of other services performed by an external auditor other than an auditor during 2023 (if any) and in the absence of another external auditor, this matter is stated explicitly.	» Deferred Tax assessment services were availed during the year from KPMG and Deloitte, and value for their services is AED 69,410/- and AED 76,664/- respectively.

c. A statement showing the reservations that the Company's auditor included in the interim and annual financial statements for the year 2023. In the absence of any reservations, the Company must state it explicitly.

There are no reservations that the PwC included in the interim and annual financial statements for 2023.

5) The Audit Committee:

a. An acknowledgement by the Chairman of the Audit Committee of his responsibility for the committee system in the Company and his review of its work mechanism and ensuring its effectiveness:

Mr. Hussain Lootah, the Chairman of the Audit and Risk Committee, acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness.

The external auditor of the Company was re-appointed at the Annual General Assembly on 29 March 2023. The appointment was conducted in accordance with UAE Company law, the Company's Articles of Association and in compliance with the Governance Guide.

The Audit Committee governs the relationship between EMPOWER and the appointed external auditors, including:

- Reviewing and monitoring the integrity of the Company’s annual and interim financial statements.
- Reviewing and monitoring the extent of the non-audit work undertaken by external auditors.
- Advising on the appointment / reappointment of external auditors.
- Overseeing the relationship with external auditors.
- Reviewing the effectiveness of the external audit process.
- Reviewing the effectiveness of the Company’s Internal Audit function.

Key focus areas for 2023:

- Reviewed and endorsed the 2023 quarterly financial statements and 2022 full year financial statements.
- Considered and approved internal audit annual budget and plan.
- Completed the external auditor’s assessment.
- Reviewed the quarterly internal audit reports.
- Formalized short-term investment policy of the Company.
- Formalized the Company’s Delegation of Authority.

b. The names of the members of the Audit Committee and a statement of its terms of reference and the tasks assigned to it:

The Audit and Risk Committee assists the Board in discharging its responsibilities concerning corporate governance, internal control, risk management, financial reporting, external and internal audits, advising on the appointment of the external auditor, etc.

The Governance Guide requires that the Audit Committee must comprise at least three members who are Non-Executive Directors and have knowledge and expertise in financial and accounting matters, and at least two members must be independent. One of the independent members must be appointed as the Chairperson of the Audit Committee. The Company complies with these provisions, and details of the committee members are as follows:

Particulars	Position
Mr. Hussain Lootah	Chair
Mr. Nasser Lootah	Member
Mr. Amit Kaushal	Member
Mr. Issam Kazim	Member

c. The number of meetings held by the Audit Committee during the year 2023 and their dates to discuss issues related to the financial statements and any other matters, and an indication of the number of times the personal presence of the members in the meetings held:

Date of Meeting	Number of Attendees	Names of Absent Members
12 th February 2023	4	-
04 th May 2023	4	-
01 st August 2023	3	Mr. Hussain Lootah (Proxy provided)
05 th October 2023	4	
01 st November 2023	4	

6) Nomination and Remuneration Committee:

a. An acknowledgement by the Chairman of the Nomination and Remuneration Committee of his responsibility for the committee system in the Company and its review of its work mechanism and ensuring its effectiveness:

Mr. Nasser Lootah, the Chairman of the Nomination, Remuneration, Environment, Social and Governance (NR&ESG) Committee, acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness.

b. The names of the members of the Nomination and Remuneration Committee and a statement of its terms of reference and the tasks assigned to it:

The NR&ESG Committee assists the Board in discharging its responsibilities concerning the composition of the Board and its committees. It is responsible for evaluating the balance of skills, knowledge, experience, size, structure and composition of the Board and its committees and, in particular, for monitoring the independent status of the independent non-executive directors. In addition, the NR&ESG committee assists the Board in determining its responsibilities concerning remuneration, including making recommendations to the Board on the Company’s policy on executive remuneration and reviewing and overseeing the Company’s ESG strategy and objectives.

The Governance Guide requires that the Nomination and Remuneration Committee must comprise at least three members who are Non-Executive Directors, of whom at least two members must be independent. One of the independent members must be appointed as the Chairperson of the Nomination and Remuneration Committee. The Company complies with these provisions, and the details of the committee members are as follows:

Director	Position
Mr. Nasser Lootah	Chair
Mr. Amit Kaushal	Member
Ms. Fatma Belrehif	Member
Mr. Majed Al Joker	Member

c. A statement of the number of meetings held by the Committee during the year 2023 and the dates of their holding, with an indication of the number of personal attendance times of all members of the Committee:

Date of Meeting	Number of Attendees	Names of Absent Members
16 th February 2023	4	-
14 th March 2023	4	-

7) A committee to follow up and supervise the dealings of insiders:

a. An acknowledgement by the committee chairman or the person authorised to be responsible for the committee system in the Company and for reviewing its work mechanism and ensuring its effectiveness:

Mr. Mohamed Kahoor, the Chairman of the Insiders Dealing Committee, acknowledges his responsibility for the committee system in the Company, reviewing its work mechanism and ensuring its effectiveness and the committee will report its findings to Audit and Risk Committee from 01 Jan 2024.

b. The names of the members of the Committee for follow-up and supervision of insider dealings and a statement of its terms of reference and tasks assigned to it:

The Committee is responsible for ensuring compliance with the Insider Dealing Policy approved by the Board of Directors. The members of the Committee are as follows:

Name	Position
Mr. Mohamed Kahoor	Chair
Mr. Ahmad Al Qassem	Member
Mr. Murugesan Vasanthan	Member

c. A summary of the Committee’s work report during the year 2023 (if the Committee is not formed, the reasons for this will be explained):

The Committee has reviewed the Company’s insider list to ensure completeness in line with the regulations’ requirements. Also, the Committee conducted a compliance review on the Company’s Insider trading policy for the period January to September 2023 and reported the findings to the Audit and Risk committee.

8) Other committees approved by the Board of Directors:

During Q4-2023, the Technical Committee was approved by the Board of Directors

a. The Committee Chairman’s acknowledgement of his responsibility for the Committee system at the Company, review of its work mechanism and ensuring its effectiveness.

Mr. Hussain Lootah, the Chairman of the Technical Committee, acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness.

b. Name of Committee: Technical Committee

c. Names of each committee member, clarifying its competencies and tasks assigned thereto.

Technical Committee is formed to assist the Board with its responsibility to oversee technical, project and operational matters arising as a part of the Company’s ordinary course of business and, in this regard, to review, evaluate, endorse/provide recommendations on such matters, in accordance with the Company’s approved DOA, constitutional documents and prevailing policies and as may be directed by the Board from time to time.

The members of the Committee are as follows:

Director	Position
Mr. Hussain Lootah	Chair
Mr. Nasser Lootah	Member
Mr. Majed Al Joker	Member

d. Statement of the number of meetings held by the Committee during 2020 and their dates, and all Committee members’ personal attendance times:

The Committee was formed in Q4 – 2023. It will start conducting meetings in 2024.

9) Internal Control System:

a. An acknowledgement by the Board of its responsibility for the internal control system in the Company and its review of its work mechanism and ensuring its effectiveness:

The Board of Directors acknowledges responsibility for the Company’s Internal Control system, including reviewing and ensuring its effectiveness. To effectively discharge this obligation, the Board has formed an Audit & Risk Committee with a mandate to oversee, review, and assess the effectiveness of the Company’s corporate governance, disclosure, internal control, and risk management systems. The Committee is also required to review internal control reports and follow up on the implementation of the corrective measures with respect to any control gaps.

b. The name of the department manager, his qualifications, and the date of appointment:

The Internal Audit department is headed by Mr. Murugesan Vasanthan, who joined the Company as Director of Internal Audit in 2013. He has over 30 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 the US, Europe, India, and Middle Eastern regions. 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.

**c. The name of the compliance officer, his qualifications, and the date of appointment:**

Name of the Compliance Officer: Mr. Rafiq Al Shahbaz is a senior legal advisor who joined Empower in 2006 and has been assigned the responsibility of Compliance Officer. He also has the following qualifications:

Bachelor of Arts Degree from Temple University, College of Arts and Sciences

Juris Doctorate from Thurgood Marshall School of Law, Texas Southern University

Executive MBA, Business Administration and Management, London Business School

National University of Singapore, Joint ASEAN Bangkok Summer Programme, International Business, Trade and Tax Law

Member, Chartered Institute of Arbitrators

Member, Texas Bar Association

Member, National Bar Association

Member, Phi Delta Phi

d. How does the Internal Control Department deal with any major problems in the Company or those that have been disclosed in the annual reports and accounts (in the absence of significant problems, it should be mentioned that the Company did not encounter any problems):

In 2023, the Internal Audit department has conducted 24 reviews consisting of 7 Internal Control Reviews, 4 Business Process Reviews, 5 Regulatory & Compliance Reviews, 2 Accounting Reviews, 1 ITGC and 5 other reviews. The reviews covered critical business processes and high-risk areas based on the risk assessment conducted by Internal Audit. The control improvements and gaps identified are reported to the Audit and Risk Committee and management. The corrective actions are being taken to address the audit findings.

There were no major problems faced by the company in 2023.

e. The number of reports issued by the Internal Control Department to the Company's Board of directors:

During the year 2023, the Internal Audit Department issued 3 quarterly reports to the Audit and Risk Committee. These reports included the key audit observations, implementation status of action plans and update on audit plan.

10) Details of the violations committed during the year 2023, an explanation of their causes, and how to address them and avoid their recurrence in future:

During 2023, the Company received 3 violation notices from the Regulatory & Supervisory Bureau (RSB) pertaining to filing the annual return of 2022. The Company has remediated the same and has taken measures to avoid the repetition of such instances.

11) A statement of the monetary and in-kind contributions that the Company

made during the year 2023 in developing the local community and preserving the environment (in the absence of contributions, it should be mentioned that the Company did not make any contributions):

S. No.	Description	Value (AED)
1	Terrazzo Workshop (International Women's Day & Mother's Day) - workshop conducted by women who are part of the Dubai Club for People of Determination and for 25 employee ladies from EMPOWER	7,950
2	Ramadan Iftar meals	60,000
3	Blood donation (in collaboration with the Dubai Blood Donation Center)	7,367
4	Breast Cancer awareness campaign	8,000
5	Sponsorship for the Al Jamaheer Program on Dubai TV	150,000
6	Bronze partnership for Dubai Quality Group	5,000
7	WETEX 2023 – Strategic Sponsorship	500,000
8	Sponsorship of the District Cooling Summit 2023 which was organised as a side event of COP28	347,000

12) General Information:**a. A statement of the Company's share price in the market (closing price, highest price and lowest price) at the end of each month during the fiscal year 2023:**

The share price activity for the fiscal year 2023 is tabulated below.

2023	High (AED)	Low (AED)	Close (AED)
January	1.61	1.37	1.49
February	1.58	1.48	1.58
March	1.78	1.72	1.76
April	1.82	1.65	1.73
May	1.79	1.60	1.71
June	1.93	1.69	1.90
July	2.02	1.76	1.92
August	1.94	1.81	1.85
September	1.91	1.79	1.89
October	1.90	1.56	1.79
November	1.85	1.65	1.65
December	1.75	1.59	1.66

b. A statement of the comparative performance of the Company's shares with the general market index and the sector index to which the Company belongs during the year 2023:

2023	Empower (AED)	DFMGI	Utilities Index
January	1.49	3,303.27	866.03
February	1.58	3,437.76	890.23
March	1.76	3,406.72	941.28
April	1.73	3,544.79	930.13
May	1.71	3,576.63	927.44
June	1.90	3,719.99	970.01
July	1.92	4,059.27	1,021.83
August	1.85	4,082.87	990.27
September	1.89	4,163.58	994.07
October	1.79	3,887.08	933.13
November	1.65	3,992.36	960.10
December	1.66	4,059.80	943.23

e. A statement of how shareholders are distributed according to ownership size as of 31-Dec-23:

Share ownership (shares)	No. of shareholders	No. of shares owned	The proportion of shares owned by the capital
Less than 50,000	14,081	32,747,702	0.33%
From 50,000 to less than 500,000	415	68,724,343	0.69%
From 500,000 to less than 5,000,000	222	371,370,545	3.71%
More than 5,000,000	61	9,527,157,410	95.27%^

f. A statement of the procedures that have been taken regarding investor relations controls, with a statement of the following:**i. The name of the investor relations officer****ii. Contact information for the investor relations officer (email, phone, mobile, fax)**

The name and contact information of the Investor Relations Officer:

Mr. Chander Bherumal

Tel: 04-375 5555

Email: investor.relations@empower.ae

iii. The electronic link to the Investor Relations page on the Company's website

Link: <https://www.empower.ae/investor-relations/>

g. A statement of the special decisions that were presented in the General Assembly held during the year 2023 and the actions taken in this regard:

The Company held its first General Assembly on 29 March 2023.

c. Statement of shareholder ownership distribution as of 31-Dec-2023 (individuals, companies, government) classified as follows:

Category	Percentage of shares owned			
	Individuals	Companies	Government	Total
Local	2.44%	27.91%	57.23%	87.58%
Arab	0.36%	2.70%	-	3.06%
Foreign	0.24%	8.09%	1.03%	9.36%
Total	3.04%	38.70%	58.26%	100.00%

d. A statement of the shareholders who own 5% or more of the Company's capital as of 31-Dec-2023:

Name	No. of Shares	% of Shares
Dubai Electricity and Water Authority PJSC (DEWA)	5,600,000,000	56%
Emirates Power Investment LLC	2,400,000,000	24%

No special decision was presented in the General Assembly held during the year 2023.

h. The name of the secretary of the Board of Directors meetings and the date of his appointment:

M/s Ibrahim N. partners (INP) were appointed on 17 February 2023 to discharge the function of Board Secretary. Mrs. Nour Aljafari, from INP has been designated as the current secretary of the Board of Directors.

i. A detailed statement of the significant events and important disclosures that the Company encountered during the year 2023:

- Hosting the District Cooling Summit 2023 as organised by the International District Energy Association (IDEA) at COP28.
- Gold Awards from the International District Energy Association (IDEA), USA, for two categories: 'Total Number of Buildings Committed' & 'Total Building Area Committed'.
- Gold LEED certification awarded to the Zaabeel District Cooling Plant by the United States Green Building Council.



- Awards for its support towards WETEX.
- Bronze partnership for Dubai Quality Group.
- H.E. Ahmad Bin Shafar was named the 'CEO of the Year' in the Energy category during the CEO Middle East Awards ceremony organised by ITP Media Group.
- Empower participates in the 'WETEX 2023' as a Strategic Sponsor.
- Empower is a diamond sponsor for the world's largest District Energy conference and exhibition IDEA2023.
- Empower sponsors the Al Jamaheer Program on Dubai TV.
- Empower is a key sponsor of the District Energy Conference in Latin America (LATAM2023).
- Empower and Dubai Maritime City signed an agreement to supply District Cooling services to the DMC project with a more than 63,000 RT capacity.
- Empower signed an agreement with Sobha Realty to provide 17,000 RT district cooling services to Sobha Hartland development.
- Empower upgrades its "JBR" district cooling plant
- Empower commences operation of its advanced district cooling plant in Dubai land (DLRC)
- Empower has officially become the main and sole district cooling services provider for Dubai International Airport following the successful acquisition of the right to operate the district cooling systems of Dubai International Airport.
- Empower announced the completion of all operations for connecting the Dubai Maritime City's iconic tower 'ANWA, the tallest tower in Dubai Maritime City.
- Empower confirmed the commencement of construction of reverse osmosis plants in district cooling plants.
- With a total capacity of 48,000 RT, Empower awards a set of contracts to build advanced district cooling plant and expand the network in Jumeirah (JBH)

j. A statement of the deals the Company made with related parties during the year 2023, which are equal to 5% or more of the Company's capital:

The Company has not entered into any transaction with related parties in accordance with the definitions provided for these terms in the Governance Guide. Note 12 of the consolidated financial statements for the

year 2023 provides the key related party transactions as such term is defined in the International Financial Reporting Standards (IFRS) and which are already reflected in the consolidated financial statements for the year 2023, and carried out during the year in the normal course of business on the terms agreed between the parties.

k. A statement of the percentage of Emiratisation in the Company by the end of the years 2021, 2022, 2023 (excluding workers for companies operating in the contracting field):

The % of Emirati employees out of Empower's total head office employees is as tabulated below:

Employees	2021	2022	2023
Emirati	33%	33%	33%

l. A statement of the innovative projects and initiatives undertaken by the Company or under development during the year 2023:

Empower continuously innovates solutions and undertakes initiatives that can bring efficiencies and enhance its service delivery to customers. It has won various accolades and awards for innovations from industry associations such as the International District Energy Association (IDEA) etc. During the year 2023, Empower implemented the following innovative projects:

Development	Initiative
BB02 Plant	Chiller efficiency improvement by retrofitting VSD technology and thereby reducing energy consumption and associated operating costs.
IBN Battuta (GN03) Plant	Efficiency improvement through performance optimisation of Delta T, Secondary Chilled Water Pump, Chilled water flow and Cooling Tower operations.
JBR Plant	Efficiency improvement by improving pump performance through the actual curve & implementing the best operating range, and optimising Delta T.

Signatures:

Chairman, Board of Directors

Chairman, Audit and Risk Committee

Chairman, Nomination, Remuneration & ESG Committee

Director of the Internal Control Department

EMPOWER is committed to responsible governance that adheres to the highest standards and actively promotes the principles of accountability, responsibility, fairness, and transparency. Through the diligent stewardship of our Board Committees, we ensure that every decision and action taken is in the best interest of our stakeholders and the broader community we serve. This approach is not just about compliance; it's about setting a benchmark for excellence in corporate governance, where strategic oversight and ethical leadership pave the way for sustainable success.





FINANCIALS

Our comprehensive financial report provides a detailed overview of our financial health, operational efficiency, and strategic financial management, underpinning our dedication to stakeholder trust. Through our clear and transparent reporting, we underscore our ongoing pursuit of excellence, sustainability, and robust growth in the district cooling sector, ensuring our stakeholders are well-informed of our financial trajectory and operational success.



Directors’ report

for the year ended 31 December 2023

Directors’ report

The Board of Directors present their report and audited 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 year ended 31 December 2023.

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 and operational performance

The Group has reported a turnover of AED 3,035,203 thousand and has recorded a net profit attributable to the equity holders of the Company amounting to AED 952,927 thousand for the year ended 31 December 2023.

During the year, the Group signed new concession agreements with Dubai Maritime City and Sobha Realty, for a total capacity of 80,000 refrigeration tons (RT) that is expected to be connected in the future.

During the year 2023, a final dividend of AED 425,000 thousand (AED 0.0425 per share) for the financial year ended 31 December 2022 was approved by the shareholders in the Annual General Meeting held in March 2023 and subsequently paid in the month of April 2023 (2022: Final dividend of AED 500,000 thousand (AED 0.5 per share)). For the year ended 31 December 2023, an interim dividend of AED 425,000 thousand (AED 0.0425 per share) was approved by the Board of Directors in the month of September 2023 and subsequently fully paid in the month of October 2023 (2022: Interim dividend of AED 2,900,000 thousand (AED 2.9 per share)).

Outlook

As per United Arab Emirates (UAE) Central Bank, the UAE’s GDP expected to grow from 3.1% in the current year 2023 to 5.7% in 2024. UAE’s oil economy is expected to grow by 8.1% and non-oil economy by 4.7% during the year 2024. The UAE district cooling market is projected to grow at a compounded annual growth rate of approximately 10.12% during the forecast period 2023-28.

District Cooling Services (DCS) being eco-efficient solution, utilising 50% lesser energy compared to traditional cooling systems, requires less initial expenditure and ongoing maintenance and has thus become the norm of real estate developments in the United Arab Emirates (UAE).

The UAE is taking the lead in the development of district cooling as a significant energy-efficient solution and the Group is poised to utilise the opportunity by expanding its footprints across the UAE and also explore other expansion opportunities.

Directors

The Directors who held office during the year, their committee memberships and functions, as at 31 December 2023 were as follows:

Name and designation	Date of appointment/ reappointment	Committee Memberships
H.E. Saeed Mohammed Ahmad Al Tayer	14 October 2022	Not applicable
Chairman		
Mr. Nasser Mohammed Bin Lootah	14 October 2022	Audit and risk committee (Committee Member), Nomination, Remuneration and ESG Committee (Committee Chairman), Technical Committee (Committee Member)
Director		
Mr. Hussain Essa Ibrahim Lootah	14 October 2022	Audit and risk committee (Committee Chairman), Technical Committee (Committee Chairman)
Director		
Mr. Amit Kaushal	14 October 2022	Audit and risk committee (Committee Member), Nomination, Remuneration and ESG Committee (Committee Member)
Director		
Mr. Issam Abdulrahim Abdulla Kazim	14 October 2022	Audit and risk committee (Committee Member)
Director		
Mrs. Fatma Ibrahim Abdulla Belrehif	14 October 2022	Nomination, Remuneration and ESG Committee (Committee Member)
Director		
Mr. Majed Sultan Murad Ali Al Joker	14 October 2022	Nomination, Remuneration and ESG Committee (Committee Member), Technical Committee (Committee Member)
Director		

Dubai Airport District Cooling Plants

In May 2023, the Group signed a share purchase and sale agreement and a shareholders agreement with Dubai Aviation City Corporation (“DACC”) to acquire 85% holding in DXB CoolCo FZCO (“DXB Cool”) which is the district cooling service provider for Dubai Airport for a period of 35 years from the commencement date of the agreement (5 July 2023). DXB Cool secured the concession rights for providing district cooling services to Dubai Airport through a master concession agreement signed with DACC on 18 May 2023. The transaction was completed in the month of July 2023 and DXB Cool is accounted for as a subsidiary of the Company.

Auditors

The consolidated financial statements of the Group for the year ended 31 December 2023 were audited by PricewaterhouseCoopers Limited Partnership Dubai

Branch, who were appointed as external auditors of the Group for the year ended 31 December 2023 in the Annual General Assembly meeting held on 29 March 2023. PricewaterhouseCoopers Limited Partnership Dubai Branch are eligible for reappointment as auditors for the year 2024 and have expressed their willingness to continue in office.

On behalf of the Board

H.E Saeed Mohammed Ahmad Al Tayer
Chairman
9 February 2024



Independent auditor’s report

Independent auditor’s report to the shareholders of Emirates Central Cooling Systems Corporation P.J.S.C

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 P.J.S.C (“the Company”) and its subsidiaries (together “the Group”) as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group’s consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2023;
- 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, comprising material accounting policy information 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.

Our audit approach

Overview

Key Audit Matter	Accuracy of revenue from consumption charges
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As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Our audit approach

Overview

Key audit matter	How our audit addressed the key audit matter
Accuracy of revenue from consumption charges	We carried out the following procedures:
The Group reported revenues from district cooling services of AED 3,017,829 thousand (Note 23) for the year ended 31 December 2023 of which AED 1,719,593 thousand is relating to consumption revenue, which is based on variable outputs consumed by the customers.	• We gained an understanding of the control environment related to revenue processes and identified the relevant controls, IT systems, interfaces and reports; • We evaluated the control environment by testing the general IT controls over the main systems and applications involved in the revenue recording process; • We assessed the design and operating effectiveness of controls over the capture and recording of revenue transactions; • We evaluated the management’s controls over the authorisation of rate changes and the input of this information into the billing systems, as well as the calculation of amounts billed to customers. We also tested a sample of customer bills for accuracy;
Auditing consumption revenue component recorded by the Group is complex due to IT systems used in initiation, processing and recording of transactions, which includes a high volume of individually low monetary value transactions. The revenue is calculated based on meter readings from the system and pre-defined rates.	• We evaluated the controls in place over manual intervention and modification of metering data, which is restricted to the meter data management system, and the manual intervention of master billing data that is restricted to the billing team; • On a sample basis, we tested the accuracy of the meter readings and checked that the data of the respective meter readings, as per the sample selected, was appropriately reflected in the billing system; • We evaluated the interface between the meter data management system and the billing system; • We evaluated the interface between billing system and financial reporting system; • We recalculated the amount of revenue recognised on a sample basis and have traced the fixed rates to the signed customer agreements and billing system; • We traced consumption charges and fuel surcharge billed to the customer to its invoices on a sample basis. We have also traced the rates and meter readings on the invoices; and • We assessed the appropriateness of the accounting policies and disclosures made in the consolidated financial statements.
There is inherent risk around the accuracy of the recognised consumption revenue given the complexity of the systems and consequently we considered this to be a key audit matter.	



Other information

The directors are responsible for the other information. The other information comprises the directors’ report (but does not include the consolidated financial statements and our auditor’s report thereon), which we obtained prior to the date of this auditor’s report, and the Company’s Annual report, which is expected to be made available to us after that date.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Company’s Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and 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 IFRS Accounting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, 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.
- 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.

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

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

Report on other legal and regulatory requirements

Further, as required by the UAE Federal Decree Law No. 32 of 2021, we report that:

- i) we have obtained all the information we considered necessary for the purposes of our audit;
- ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021;
- iii) the Group has maintained proper books of account;

- iv) the financial information included in the Directors’ report is consistent with the books of account of the Group;
- v) as disclosed in note 1 to the consolidated financial statements the Group has purchased shares during the year ended 31 December 2023;
- vi) note 12 to the consolidated financial statements discloses material related party transactions, and the terms under which they were conducted; and
- vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the year ended 31 December 2023 any of the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, or in respect of the Company, its Articles of Association which would materially affect its activities or its financial position as at 31 December 2023.

PricewaterhouseCoopers Limited Partnership Dubai Branch
9 February 2024

Murad Alnsour
Registered Auditor Number 1301
Dubai, United Arab Emirates



Consolidated statement of financial position

Year ended 31 December

(in AED'000)

Particulars	Notes	2023	2022
ASSETS			
Non-current assets			
Property, plant and equipment	5	6,934,815	6,993,939
Right-of-use assets	6	3,994	2,943
Intangible assets	7	339,982	352,139
Deferred tax assets	28	17,454	-
Financial assets at amortised cost	8	1,324,786	301,003
Financial assets at fair value through other comprehensive income	9	54,153	52,911
Investment properties	37	85,645	72,859
Investment in a joint venture		307	307
		8,761,136	7,776,101
Current assets			
Inventories	10	43,730	46,151
Trade and other receivables	11	319,094	311,965
Due from related parties	12	8,821	31,396
Financial assets at amortised cost	8	19,105	4,154
Financial assets at fair value through profit or loss	13	10,000	-
Term deposits	14	27,500	11,300
Cash and cash equivalents	15	538,780	1,473,908
		967,030	1,878,874
Total assets		9,728,166	9,654,975
EQUITY AND LIABILITIES			
Equity			
Equity attributable to equity holders of the Company			
Share capital	16	1,000,000	1,000,000
Statutory reserve	17	500,000	500,000
Other reserves		14,510	5,836
Contributed capital	18	82,190	82,190
Retained earnings		1,547,518	1,444,591
		3,144,218	3,032,617
Non-controlling interests	32	166,783	2,125
Total equity		3,311,001	3,034,742

(in AED'000)

Particulars	Notes	2023	2022
Liabilities			
Non-current liabilities			
Bank borrowings	19	4,492,438	4,489,586
Government grants	20	305,558	308,338
Provision for employees' end of service benefits	21	54,666	56,035
Retentions payable	22	18,036	5,257
Lease liabilities	6	584	729
		4,871,282	4,859,945
Current liabilities			
Trade and other payables	22	1,403,263	1,497,509
Due to related parties	12	135,953	257,267
Government grants	20	3,170	3,170
Lease liabilities	6	3,497	2,342
		1,545,883	1,760,288
Total liabilities		6,417,165	6,620,233
Total equity and liabilities		9,728,166	9,654,975

To the best of our knowledge, the consolidated financial statements fairly present in all material respects, the consolidated financial position, results of operation and consolidated cash flows of the Group as of and for the year ended 31 December 2023. These consolidated financial statements were approved by the Board of Directors on 9 February 2024 and were signed on their behalf by:


Chief Executive Officer


Chairman



Consolidated statement of comprehensive income

Year ended 31 December

(in AED'000)

Particulars	Notes	2023	2022
Revenue	23	3,035,203	2,792,539
Interest income on financial asset at amortised cost		38,711	18,545
Cost of sales	25	(1,740,878)	(1,551,848)
Impairment reversal of project cost		-	12,727
Gross profit		1,333,036	1,271,963
General and administrative expenses	26	(220,285)	(209,977)
Provision for expected credit losses	11	-	(17,865)
Other income	29	7,120	7,765
Operating profit		1,119,871	1,051,886
Finance income	30	43,593	35,554
Finance costs	30	(220,833)	(86,685)
Finance (costs)/ income - net		(177,240)	(51,131)
Profit before tax		942,631	1,000,755
Income taxes	28	17,454	-
Profit after tax		960,085	1,000,755
Profit attributable to:			
Equity holders of the Company		952,927	1,000,567
Non-controlling interests	32	7,158	188
		960,085	1,000,755

(in AED'000)

Particulars	Notes	2023	2022
Basic and diluted earnings per share for profit attributable to the equity holders of the Company (AED)	35	0.095	0.100
Profit for the year		960,085	1,000,755
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Changes in fair value of financial assets at fair value through other comprehensive income		1,242	(5,202)
Remeasurement of post-employment benefit obligations		7,432	8,297
Other comprehensive income for the year		8,674	3,095
Total comprehensive income for the year		968,759	1,003,850
Total comprehensive income for the year attributable to:			
Equity holders of the Company		961,601	1,003,662
Non-controlling interests		7,158	188
		968,759	1,003,850



Consolidated statement of changes in equity

(in AED'000)

Attributable to equity holders of the Company

	Notes	Share capital	Statutory reserve	Other reserves	Retained earnings	Contributed capital	Total equity	Non-controlling interests	Total
At 1 January 2022		1,000,000	500,000	2,741	3,844,024	82,190	5,428,955	1,937	5,430,892
Total comprehensive income for the year									
Profit for the year		-	-	-	1,000,567	-	1,000,567	188	1,000,755
Other comprehensive income									
Other comprehensive income for the year		-	-	3,095	-	-	3,095	-	3,095
Total comprehensive income for the year		-	-	3,095	1,000,567	-	1,003,662	188	1,003,850
Transaction with owners in their capacity as owners:									
Dividends declared	39	-	-	-	(3,400,000)	-	(3,400,000)	-	(3,400,000)
At 31 December 2022		1,000,000	500,000	5,836	1,444,591	82,190	3,032,617	2,125	3,034,742

At 1 January 2023		1,000,000	500,000	5,836	1,444,591	82,190	3,032,617	2,125	3,034,742
Total comprehensive income for the year									
Profit for the year		-	-	-	952,927	-	952,927	7,158	960,085
Other comprehensive income									
Other comprehensive income for the year		-	-	8,674	-	-	8,674	-	8,674
Total comprehensive income for the year		-	-	8,674	952,927	-	961,601	7,158	968,759
Transaction with owners in their capacity as owners:									
Non-controlling interest on acquisition of subsidiary	32	-	-	-	-	-	-	157,500	157,500
Dividends declared	39	-	-	-	(850,000)	-	(850,000)	-	(850,000)
At 31 December 2023		1,000,000	500,000	14,510	1,547,518	82,190	3,144,218	166,783	3,311,001



Consolidated statement of cash flows

Year ended 31 December

(in AED'000)

Particulars	Notes	2023	2022
Cash flows from operating activities			
Profit before tax		942,631	1,000,755
Adjustments for:			
Depreciation of property, plant and equipment	5	332,884	311,807
Depreciation of right-of-use assets	6	3,158	2,868
Amortisation of intangible assets	7	12,157	12,157
Settlement of financial assets	8	49,977	22,463
Impairment reversal of project costs		-	(12,727)
Amortisation of arrangement fee	30	2,852	8,476
Gain on disposal of property, plant and equipment		-	(29)
Gain on modification of right-of-use assets	6	(23)	(1,461)
Net impairment losses on financial assets	11	-	17,865
Provision for employees' end of service benefits	21	7,186	15,968
Provision for impairment of slow moving and obsolete inventories	10	389	361
Interest on lease liabilities	30	104	295
Interest income earned on financial assets at amortised cost	8	(38,711)	(18,545)
Finance income	30	(43,593)	(35,554)
Interest expense on bank borrowings	30	217,877	90,652
Government grant income	20	(2,780)	(2,780)
Operating cash flows before changes in working capital and payment of employees' end of service benefits		1,484,108	1,412,571
Changes in working capital:			
Inventories		2,032	(19,494)
Trade and other receivables before advances		6,005	(77,130)
Due from related parties		22,575	(27,778)
Trade and other payables		(692)	46,826
Due to related parties		(121,314)	90,980
Cash generated from operations		1,392,714	1,425,975
Payment of employees' end of service benefits	21	(1,123)	(1,339)
Net cash generated from operating activities		1,391,591	1,424,636

(in AED'000)

Particulars	Notes	2023	2022
Cash flows from investing activities			
Acquisition of subsidiary	32	(892,500)	-
Additions to property, plant and equipment		(320,144)	(434,860)
Short-term deposits (more than 3 months) redeemed/(invested)		(16,200)	103,500
Redemption/(investment) in financial assets at fair value through profit and loss	13	(10,000)	100,000
Finance income received	30	42,887	35,554
Additions to Investment properties	37	(12,786)	-
Proceeds from disposal of property, plant and equipment		-	29
Net cash used in investing activities		(1,208,743)	(195,777)
Cash flows from financing activities			
Proceeds from bank borrowings net of arrangement fee		-	5,406,211
Repayment of bank borrowings	19	-	(2,912,984)
Dividends paid	39	(850,000)	(3,400,000)
Principal element of lease payments	6	(3,176)	(2,819)
Interest element of lease payments	6	(104)	(295)
Finance costs paid	30	(264,696)	(90,652)
Net cash used in financing activities		(1,117,976)	(1,000,539)
Net (decrease)/increase in cash and cash equivalents		(935,128)	228,320
Cash and cash equivalents at the beginning of the year		1,473,908	1,245,588
Cash and cash equivalents at the end of the year	15	538,780	1,473,908
Non- cash transactions are disclosed in Note 36.			



Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the years presented:

(in AED'000)

Particulars	Notes	2023	2022
Cash and cash equivalents	15	538,780	1,473,908
Borrowings-repayable within one year	19	-	-
Borrowings-repayable after one year	19	(4,492,438)	(4,489,586)
		(3,953,658)	(3,015,678)
Lease liabilities	6	(4,081)	(3,071)
Net debt		(3,957,739)	(3,018,749)
Cash and cash equivalents	15	538,780	1,473,908
Lease liabilities	6	(4,081)	(3,071)
		534,699	1,470,837
Gross debt-fixed interest rates		-	-
Gross debt-variable interest rates	19	(4,492,438)	(4,489,586)
		(3,957,739)	(3,018,749)

Notes to the Consolidated Financial Statements

for the year ended 31 December 2023

1 Establishment and operations

Emirates Central Cooling Systems Corporation P.J.S.C (“EMPOWER” or “the Company”), formerly Emirates Central Cooling Systems Corporation, was established on 23 November 2003 in accordance with Article 3 of Law No.10 (“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, 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 consolidated financial statements relate to the Company and its subsidiaries (jointly referred to as “the Group”).

On 20 September 2021, the UAE Federal Decree Law No. 32 of 2021 (“Companies Law”) was issued and came into effect on 2 January 2022 which is applicable to the Company.

On 9 December 2022 UAE Federal Decree Law No. 47 of 2022 was published setting in place a general corporate income tax for the first time. The profit threshold of AED 375,000 at which the 9% tax will apply was set in place by Cabinet Decision No. 116 of 2022 which was published on 16 January 2023 and at this point the tax law was considered enacted and substantively enacted for accounting purposes. While current taxes are not payable on profits generated

before the Company’s financial year commencing on 1 January 2024, the existence of an enacted tax law results in the need to immediately record deferred taxes on assets and liabilities where the carrying amount differs from the tax base. The material accounting policies in respect of current and deferred tax are disclosed in Note 2.23.

As a result of the enactment / substantial enactment of Corporate tax, management performed assessment of deferred tax, with the help of an external consultant, for application of IAS 12 taking into consideration the cabinet decisions with respect to adjustments for temporary and permanent differences. Based on the assessment, the Group recorded a deferred tax asset as at 31 December 2023 as disclosed in Note 28.



The Company has the following material subsidiaries:

Subsidiary	Principal activities	Beneficial and legal shareholding	
		2023	2022
Empower Logstor LLC (“ELIPS”)	Manufacturing of pre-insulated pipes, primarily for district cooling.	97.0%	97.0%
Palm District Cooling LLC	Establishing and operating district cooling projects and providing air-conditioning, ventilation and refrigeration services.	99.9%	99.9%
Palm Utilities LLC	Establishing and operating district cooling projects and providing air-conditioning, ventilator and refrigeration services.	99.5%	99.5%
Empower FM LLC	Installation of air conditioning, ventilation and purification systems, as well as repairs and maintenance.	100%	100%
Empower Engineering & Consultancy LLC	Consultancy services for project development.	100%	100%
Empower Snow LLC	Establishing and operating district cooling projects and providing air-conditioning, ventilator and refrigeration services.	100%	100%
DXB CoolCo. FZCO	Establishing and operating district cooling projects and providing air-conditioning, ventilator and refrigeration services.	85%	-

ELIPS was established during the year 2007 with the Company owning a 51% share and Logstor Holding, Denmark owning the remaining 49% shareholding. In 2012, the Company increased its shareholding to 97% in ELIPS and diluted Logstor Holding, Denmark’s interest to 3%. Subsequent to the year end, the Group purchased minority share of 3% from Logstor Holding for AED 160 thousand.

During 2013, EMPOWER acquired 99.5% interest in Palm Utilities LLC (“PU”) and 99.9% interest in its subsidiary Palm District Cooling LLC (“PDC”).

During 2020, the Company 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.

During 2021, the Company acquired 100% interest in Empower Snow LLC, a company providing District Cooling Services for various projects developed and owned by a Master Developer Nakheel PJSC for a purchase consideration of AED 673,900 thousand.

During 2023, the Company acquired 85% interest in DXB CoolCo FZCO, a company providing District Cooling Services to Dubai Airport owned by Dubai Aviation City Corporation (“DACC”) for a purchase consideration of AED 892,500 thousand.

The consolidated financial statements for the year ended 31 December 2023 were authorised for issue on 9 February 2024.

2 Material accounting policies

Material 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 IFRS Accounting Standards and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The consolidated 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.

Although as of 31 December 2023, the Group’s current liabilities exceeded its current assets by AED 578,853 thousand, management’s cash flow projections covering a twelve-month period indicate that the Group will at all stages in that period be able to meet its liabilities as they fall due. Current liabilities as at 31 December 2023 includes the deferred revenue amounting to AED 341,792 thousand (Note 22) which have no cash impact and will be recognised as revenue, and refundable customer security deposits amounting to AED 456,361 thousand (Note 22) which are only repayable on disconnection of service by a customer in the ordinary course of business.

Further, the Group has undrawn loan facilities amounting to AED 1,000,000 thousand which are readily available to meet any additional capital needs that might arise, although management does not expect these will need to be utilised for working capital purposes.

(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 2023, have been adopted in these consolidated financial statements.

- IFRS 17 Insurance Contracts
- Definition of Accounting Estimates – amendments to IAS 8
- International Tax Reform – Pillar Two Model Rules – amendments to IAS 12
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – amendments to IAS 12

- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

The Group did not have to change its material accounting policies or made retrospective adjustments as a result of adopting these amended standards.

(b) New standards, amendments and interpretations not yet adopted 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 consolidated financial statements are disclosed below:

- Classification of Liabilities as Current or Non-current – Amendments to IAS 1 – (effective 1 January 2024). 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 (e.g. 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;
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024). The amendments relate to the sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to subsequently measure liabilities arising from the transaction and in a way that it does not recognise any gain or loss related to the right of use that it retained. This means deferral of such a gain even if the obligation is to make variable payments that do not depend on an index or a rate.
- Supplier finance arrangements (SFA) – Amendments to IAS 7 and IFRS 7 (effective 1 January 2024). The objective of the new disclosures is to provide information about SFAs that enables investors to assess the effects on an entity’s liabilities, cash flows and the exposure to liquidity risk. The new disclosures include information about the following:

The terms and conditions of SFAs.

- The carrying amounts of financial liabilities that are part of SFAs and the line items in which those liabilities are presented.
- The carrying amount of the financial liabilities in (b) for which suppliers have already received payment from the finance providers.

- The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements.
- Non-cash changes in the carrying amounts of financial liabilities in (b).
- Access to SFA facilities and concentration of liquidity risk with finance providers.

The IASB has provided transitional relief by not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances. Further, the required disclosures are only applicable for annual periods during the first year of application.

- 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).

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.

2.2Consolidation

(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.

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 obligations 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.

2.3Property, 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 recognised 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.

2.4Impairment 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 companies 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.

2.5Financial 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.

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:

(in AED'000)

	Carrying amount	
	2023	2022
Trade and other receivables excluding prepayments and advances (Note 11)	215,632	221,047
Financial assets at fair value through profit and loss (Note 13)	10,000	-
Term deposits (Note 14)	27,500	11,300
Cash and cash equivalents (Note 15)	538,780	1,473,908
Due from related parties (Note 12)	8,821	31,396
Financial assets at amortised cost (Note 8)	1,343,891	305,157
Financial assets at fair value through other comprehensive income (Note 9)	54,153	52,911

(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.
- (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.

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.

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.

(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 recognised at fair value at acquisition date. They have a finite useful life of 30 years and are subsequently carried at cost less accumulated amortisation and impairment losses.

2.7 Inventories

Inventories are stated at the lower of cost and estimated 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.

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 Company 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 Company became an entity controlled by DEWA effective from 23 November 2009. All land plots received by the Company 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 a publicly traded company with the majority of its ownership held by the Government of Dubai.

2.12 Employees end of service benefits

In accordance with UAE labour law, the Group provides end of service benefits to its employees. The entitlement to these benefits is usually based upon the employees' salary and length of service, subject to the completion of a minimum service period.

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

(ii) Post employment obligations

The Group provides post-employment defined benefit plan which is currently unfunded. The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of comprehensive income.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the statement of financial position. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

The Group has also joined the pension scheme operated by the Federal General Pension and Social Security Authority. Accordingly, contributions for eligible UAE National employees are made and recorded as employee benefit expense in the period to which employee service relates in the consolidated statement of comprehensive income, in accordance with the provisions of Federal Law No. 7 for 1999 relating to Pension and Social Security Law. The Group has no further payment obligation once the contribution has been made.

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 1 year 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.

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 prevailing incremental borrowing rate (at the time of contract signing or renewal date) as the discounted rate.

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.

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 Company 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.

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:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the 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 overleaf:

(a) District cooling services

Demand and consumption charges revenue comprises of available capacity and variable output provided to customers and is recognised when services are provided.

Energy transfer station (ETS) service charges relates to services provided for ETS at customers' buildings and are recognised at the time services are rendered.

Connection charges revenue relates to connecting the individual customer units and is recognised over the period of providing district cooling services.

Other revenue comprises services that are recognised as and when services are rendered.

(b) Pre-insulated pipes

Revenue from the sale of pre-insulated pipes is recognised when goods are sold.

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 equity holders of the Company 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.

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 (“CODM”) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. The Group has determined that the Board of Directors, are the chief operating decision-makers as per the requirements of IFRS 8 Operating Segments.

2.22 Investment properties

Investment properties comprise building under construction held with the intention to earn rentals or for capital appreciation or both. Investment properties

are stated at cost net of accumulated depreciation and/or accumulated impairment losses. Cost is defined either as cost of construction/acquisition or deemed cost, being the fair value determined by the experienced valuer at the date of recognition of the asset within investment properties, less accumulated depreciation and/or impairment losses.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is in accordance with the policy stated under property, plant and equipment at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

When the development of investment property commences, it is classified under capital work-in-progress until development is complete, at which time it is transferred to the respective category and depreciated using the straight- line method at rates calculated to reduce the cost of assets to their estimated residual values over their expected useful lives.

Land is not depreciated. Expenditure towards preparation of land for development is added to land value.

Capital work-in-progress is stated at cost less any impairment in value. It includes construction, administrative, borrowing costs and other costs directly attributable to the development of the project.

At reporting date, the carrying value of capital work-in-progress is allocated to property, plant and equipment, investment properties, based on their determined use.

2.23 Current and deferred income tax

Income taxes have been provided for in the consolidated financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period. The income tax charge / (credit) comprises current tax and deferred tax and is recognised in profit or loss for the year, except if it is recognised in other comprehensive income or directly in equity because it relates to transactions that are also recognised, in the same or a different period, in other comprehensive income or directly in equity.

Taxable profits or losses are based on estimates if the consolidated financial statements are authorised prior to filing relevant tax returns. Taxes other than on income are recorded within operating expenses.

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit

and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences. Deferred tax liabilities are not recorded for temporary differences on initial recognition of goodwill, and subsequently for goodwill which is not deductible for tax purposes. Deferred taxes are recorded on temporary differences arising after initial recognition of goodwill, including those arising on initial introduction of the tax law in the UAE. Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period, which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilised.

Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that the temporary difference will reverse in the future and there is sufficient future taxable profit available against which the deductions can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The Group controls the reversal of temporary differences relating to taxes chargeable on dividends from subsidiaries or on gains upon their disposal. The Group does not recognise deferred tax liabilities on such temporary differences except to the extent that management expects the temporary differences to reverse in the foreseeable future.



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.

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 Nasdaq. The Group has no significant exposure to price risk on FVTPL as it is based on fixed price index.

(ii) 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 rates 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 2023, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, profit for the year would have been AED 37,864 thousand (2022: AED 26,866 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:

(in AED’000)

	2023	2022
Interest rate – re-pricing dates:		
3 months or less	4,492,438	4,489,586

Further, at 31 December 2023, 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 2023 would have been lower by AED 23 thousand (2022: AED 54 thousand) mainly as a result of higher interest expense and would have been higher by AED 24 thousand (2022: AED 60 thousand) mainly as a result of lower interest expense.

(b) Credit risk

The Group has seven types of financials 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.

Financial assets at amortised cost

During 2021, the Group recognised a financial asset through the acquisition of Empower Snow LLC from Nakheel, a related party. The financial asset derives from the minimum demand load commitment by Nakheel in the signed Master Concession Agreement.

During 2023, the Group recorded a financial asset which represents receivable from DACC (grantor) under IFRIC 12 as a result of acquisition of DXB Cool (Note 8).

Sensitivity

The following table summarises the impact of increases/decreases of the Nasdaq index on the group’s post-tax profit for the period. The analysis is based on the assumption that the index had increased by 1% or decreased by 1%, with all other variables held constant, and that all of the Group’s financial instruments moved in line with the index.

(in AED’000)

	2023	2022
Nasdaq index-increase 1%	539	526
Nasdaq index -decrease 1%	(539)	(526)

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 investment held at fair value through other comprehensive income by the Group is disclosed in note 9.



The table overleaf 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:

(in AED'000)

Item	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 2022	-	-		309,075	-	-
Movements with impact on credit loss allowance charge for the year						
New originated or purchased	-	-	-	-	-	-
Total impact with impact on credit loss charge during the year	-	-	309,075	-	-	-
Repayment during the year	-	-	(22,463)	-	-	-
Unwinding of interest income during the year	-	-	18,545	-	-	-
As 31 December 2022	-	-	305,157	-	-	-
Financial asset at amortised cost						
At 1 January 2023	-	-		305,157	-	-
Movements with impact on credit loss allowance charge for the year						
New originated or purchased	-	-	1,050,000	-	-	-
Total impact with impact on credit loss charge during the year			1,355,157	-	-	-
Repayment during the year	-	-	(49,977)	-	-	-
Unwinding of interest income during the year	-	-	38,711	-	-	-
As 31 December 2023	-	-	1,343,891	-	-	-

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

The Group considers the credit quality of the balance to be low risk due to Nakheel and DACC being government entities. 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 2023 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

(in AED'000)

	Source	2023	2022
A	Moody's	25	25
A+	Fitch	40,220	13
Ba1	Moody's	10,245	78
Ba2	Moody's	6	1,255,251
Baa1	Moody's	11,923	4,626
Baa2	Moody's	9,218	4,902
Baa3	Moody's	462,241	201,153
BBB+	Fitch	4,860	7,818
Caa1	Moody's	-	42
Caa3	Moody's	42	-
		538,780	1,473,908

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.

Financial assets at fair value through profit and loss and fair value through other comprehensive income

Financial assets at FVTPL 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 considers low credit risk for these 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.



(in AED'000)

	Carrying amount	Total contractual cash flows	Less than 1 year	Between 1 to 5 years	More than 5 years
At 31 December 2023					
Bank borrowings (including interest) (Note 19)	4,492,438	5,191,643	272,142	4,919,501	-
Trade and other payables (excluding deferred revenues and including non-current retention payable) (Note 22)	1,079,507	1,079,507	1,079,507	-	-
Lease liabilities (including interest) (Note 6)	4,081	4,300	3,638	418	244
Due to related parties (Note 12)	135,953	135,953	135,953	-	-
	5,711,979	6,411,403	1,491,240	4,919,919	244
At 31 December 2022					
Bank borrowings (including interest) (Note 19)	4,489,586	5,348,545	238,949	5,109,596	-
Trade and other payables (excluding deferred revenues and including non-current retention payable) (Note 22)	1,212,541	1,212,541	1,212,541	-	-
Lease liabilities (including interest) (Note 6)	3,071	3,256	2,422	485	349
Due to related parties (Note 12)	257,267	257,267	257,267	-	-
	5,962,465	6,821,609	1,711,179	5,110,081	349

During 2022, the Group obtained a bank loan which is disclosed in Note 19. There has been no change in the contractual undiscounted cash outflows for financial liabilities during the year. Net cash generated from operating activities has decreased by AED 33,045 thousand (2022: AED 58,430 thousand) from AED 1,424,636 thousand for the year 2022 to AED 1,391,591 thousand for the year.

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 2023 and 31 December 2022 were as follows:

(in AED'000)

	2023	2022
Total borrowings (Note 19)	4,492,438	4,489,586
Less: cash and cash equivalents (Note 15)	(538,780)	(1,473,908)
Net debt	3,953,658	3,015,678
Total equity	3,311,001	3,034,742
Total capital	7,264,659	6,050,420
Gearing ratio	54.42%	49.84%

The Group manages the risk by closely monitoring the gearing ratio and by restricting the dividend pay-out if required.

3.3 Fair value estimation

As at 31 December 2023 and 2022, 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 realised 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 categorised 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).

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 have been recognised against non-financial assets during the year ended 31 December 2023 (2022: 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.

(c) Acquisition of DXB COOLCO FZCO

During the year ended 31 December 2023, EMPOWER entered into an agreement with DACC to acquire 85% of DXB Cool. The purpose of DXB Cool is to provide district cooling services to Dubai Airports Corporation ("DAC"), fully managed by EMPOWER. Although certain foundation documents with respect to DXB Cool provide the second shareholder (DACC) with certain decision-making rights, which are deemed to be protective rights given the strategic nature of the transaction and its importance to the Government of Dubai, the management assessed that based on provisions in the foundation documents, EMPOWER has adequate rights to make strategic, operational and financial decisions unilaterally. On that basis, the management concluded that EMPOWER has control over DXB Cool.



5 Property, plant and equipment

(in AED'000)

	Land	Plant, equipment and machinery	Buildings	Furniture and fixtures	Leasehold improvements	Computer equipment	Vehicles	Capital work-in-progress	Total
Cost									
At 1 January 2022	494,282	8,032,967	70,709	16,776	11,490	40,902	6,914	842,069	9,516,109
Additions	-	16	-	1,578	400	667	2,091	387,517	392,269
Transfers	-	765,034	-	-	-	861	-	(765,895)	-
Transfer to Investment properties (Note 37)	(2,536)	-	-	-	-	-	-	(70,323)	(72,859)
Disposals*	(59,382)	(17,590)	-	(4)	-	(9)	(439)	-	(77,424)
At 31 December 2022	432,364	8,780,427	70,709	18,350	11,890	42,421	8,566	393,368	9,758,095
Additions	-	5	-	766	-	59	305	274,490	275,625
Reversal of accrual	-	(1,865)	-	-	-	-	-	-	(1,865)
Transfers	-	410,273	-	1,602	565	2,465	3,121	(418,026)	-
Disposals	-	(26,577)	-	(26)	-	(5)	-	-	(26,608)
At 31 December 2023	432,364	9,162,263	70,709	20,692	12,455	44,940	11,992	249,832	10,005,247

Capital work-in-progress balances include costs incurred in the construction of district cooling plants and networks pertaining to various projects. During the year 2023, a transfer was made from capital work-in-progress to plant, equipment and machinery due to completion of two district cooling projects.

* During the year 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 298,522 thousand are developed on some of these plots of land. Management has signed a Master Land Agreement and Exclusivity and Framework Agreement in the year 2022 with the related party granting the Group unlimited access over 8 plots. The Master Land Agreement refers to a separate lease agreement which is yet to be executed between the Group and the related party over these plots on fair and reasonable terms, for a nominal value. The term of such lease agreements will be for a period no shorter than the term remaining under the master development agreement or the period as agreed in the relevant lease agreements and that EMPOWER will continue to have uninterrupted and unencumbered use of the plots until the relevant lease agreements are entered into.



(in AED'000)

	Land	Plant, equipment and machinery	Buildings	Furniture and fixtures	Leasehold improvements	Computer equipment	Vehicles	Capital work- in-progress	Total
Accumulated depreciation and impairment									
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 year	-	304,890	2,748	1,117	58	2,365	629	-	311,807
Impairment reversal **	-	-	-	-	-	-	-	(12,727)	(12,727)
Disposals	-	(17,590)	-	(4)	-	(9)	(439)	-	(18,042)
At 31 December 2022	-	2,645,559	31,760	16,838	10,879	36,187	5,839	17,094	2,764,156
Charge for the year	-	324,474	2,785	1,410	900	2,359	956	-	332,884
Disposals	-	(26,577)	-	(26)	-	(5)	-	-	(26,608)
At 31 December 2023	-	2,943,456	34,545	18,222	11,779	38,541	6,795	17,094	3,070,432
Net book amount									
31 December 2023	432,364	6,218,807	36,164	2,470	676	6,399	5,197	232,738	6,934,815
31 December 2022	432,364	6,134,868	38,949	1,512	1,011	6,234	2,727	376,274	6,993,939

** In prior years, management had recognised an impairment loss relating to costs incurred on shoring and enabling works for certain projects which were not developed as anticipated. As a result, an impairment loss of AED 55,000 thousand was recorded. During 2022, construction of these projects resumed and hence management assessed the recoverable amount using value-in-use calculations. Management also analysed the work which can be utilised and will not have to be undertaken again. As a result, the Group reversed the impairment amounting to AED 12,727 thousand in relation to these projects.

Depreciation expense of AED 324,474 thousand (2022: AED 304,890 thousand) has been charged to 'cost of sales' (Note 25) and AED 8,410 thousand (2022: AED 6,917 thousand) to 'general and administrative expenses' (Note 26).



6 Right-of-use assets and lease liabilities

The Group primarily enters into equipment leases in relation to semi-permanent plants leased from DEWA for a term of 15 years, with an extension option, and a head office lease for a term of 1 year only, given that the new head office building (under construction) is anticipated to be ready before the end of 2024.

(in AED'000)

	Equipment	Buildings	Total
Cost			
At 1 January 2022	27,242	5,994	33,236
Additions	-	3,957	3,957
Modification of right-of-use assets*	(25,512)	-	(25,512)
At 31 December 2022	1,730	9,951	11,681
Additions	-	4,284	4,284
Modification of right-of-use assets*	(551)	-	(551)
At 31 December 2023	1,179	14,235	15,414
Accumulated depreciation			
At 1 January 2022	14,186	5,638	19,824
Charge for the year	692	2,176	2,868
Modification of right-of-use assets*	(13,954)	-	(13,954)
At 31 December 2022	924	7,814	8,738
Charge for the year	154	3,004	3,158
Modification of right-of-use assets*	(476)	-	(476)
At 31 December 2023	602	10,818	11,420
Net book amount			
31 December 2023	577	3,417	3,994
31 December 2022	806	2,137	2,943

The Group recognised lease liabilities as follows:

(in AED'000)

	2023	2022
At 1 January	3,071	14,952
Additions during the year	4,284	3,957
Interest on lease liabilities	104	295
Remeasurement of lease liabilities*	(98)	(13,019)
Paid during the year	(3,280)	(3,114)
At 31 December	4,081	3,071
Less: current portion	(3,497)	(2,342)
Non-current portion	584	729

* During the year, the Group terminated certain lease agreements with DEWA. As a result, the Group accounted for the modification of the lease and the corresponding right-of-use asset and lease liability were remeasured. The gain arising from the modification of lease amounting to AED 23 thousand (2022: AED 1,461 thousand) was recognised in the consolidated statement of comprehensive income.

Interest expense included in finance costs amounted to AED 104 thousand (2022: AED 295 thousand) (Note 30). There were no expenses relating to variable lease payments. The total cash outflows for leases, including finance costs, during the year amounted to AED 3,280 thousand (2022: AED 3,114 thousand).

The expenses related to short-term leases and leases of low-value assets that are included in general and administrative expenses are as follows:

(in AED'000)

	2023	2022
Expense relating to short-term leases (Note 26)	593	488

7 Intangible assets

(in AED'000)

	2023	2022
At 1 January	352,139	364,296
Amortised during the year (Note 25)	(12,157)	(12,157)
At 31 December	339,982	352,139

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

(in AED'000)

	2023	2022
At 1 January	305,157	309,075
Additions during the year (Note 32)	1,050,000	-
Interest earned during the year	38,711	18,545
Settlement during the year	(49,977)	(22,463)
At 31 December	1,343,891	305,157
Less: current portion	(19,105)	(4,154)
Non-current portion	1,324,786	301,003

The opening balance of the financial assets at amortised cost on 1 January 2023 represents receivable from Nakheel PJSC (Note 12) in relation to acquisition of Empower Snow LLC (formerly Snow LLC) during 2021.

Additions during the year represent financial asset receivable from DACC (grantor) under IFRIC 12 as a result of the acquisition of DXB Cool (Note 32). The financial asset is initially recognised at fair value and subsequently measured at amortised cost. The fair value of the financial asset is the transaction price which is agreed between the market participants through a competitive bidding process. The fair value is determined using the discounted cash flow techniques, the inputs into the valuation techniques includes contractual cash flows and interest rates.

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

- AED 301,003 thousand from Nakheel PJSC, an entity under common control, in relation to acquisition of Empower Snow LLC (formerly Snow LLC) during 2021 and;
- AED 1,042,888 thousand from DACC, an entity under common control, in relation to acquisition of DXB Cool during the year ended 31 December 2023.

The financial assets are categorised within level 3 of the fair value hierarchy which approximates its carrying value.



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

(in AED'000)

	2023	2022
At 1 January	52,911	58,113
Gain / (loss) recognised during the year	1,242	(5,202)
At 31 December	54,153	52,911

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

(in AED'000)

	2023	2022
Gain / (loss) recognised in other comprehensive income	1,242	(5,202)
Interest income from equity investments held at FVTOCI recognised in profit or loss (Note 30)	3,947	3,305

The Group has 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.

In accordance with IFRS 9, the Group has elected to classify these Bonds as financial assets at fair value through other comprehensive income, as they are not held for trading purposes. As a result, changes in the fair value of these Bonds has been recorded in other comprehensive income.

10 Inventories

(in AED'000)

	2023	2022
Spares and consumables for district cooling services	36,143	32,796
Pre-insulated pipes	7,976	13,716
Provision for impairment of slow moving and obsolete inventories	(389)	(361)
	43,730	46,151

The cost of inventories recognised as expense and included in 'cost of sales' is AED 11,662 thousand (2022: AED 18,959 thousand) (Note 25).

11 Trade and other receivables

(in AED'000)

	2023	2022
Trade receivables	226,508	250,009
Accrued revenues	49,488	36,100
	275,996	286,109
Less: Provision for expected credit losses	(74,697)	(74,697)
	201,299	211,412
<i>Other financial assets at amortised cost</i>		
Other receivables	14,333	9,635
<i>Other assets</i>		
Advance to contractors / suppliers	89,915	77,487
Prepayments	13,547	13,431
	103,462	90,918
	319,094	311,965

Other receivables includes a deposit of AED 4,490 thousand (2022: AED 4,490 thousand) receivable from DEWA (Note 12).

As at 31 December 2023, the Group faced a concentration of credit risk with three customers (2022: three customers) which accounted for 31.9% (2022: 26.4%) of the trade receivables at that date. Management has recorded a provision of AED 32,962 thousand (2022: AED 38,759 thousand) against these customers.

Management is of the opinion that this concentration of credit risk from customers will not result in a further loss.

As at 31 December 2023, the movement in the allowance for impairment of receivables is as follows:

(in AED'000)

	2023	2022
At 1 January	74,697	56,832
Charge for the year	-	17,865
Balance at the end of the year	74,697	74,697

The table overleaf provides a detailed analysis of 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 the majority of customers.



As at 31 December, the aging analysis of trade receivables is as follows:

(in AED'000)

	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
2023								
Trade receivables and accrued revenue (AED '000)	275,996	49,488	62,269	44,561	11,595	12,679	19,379	76,025
Provision %	-	0%	1.9%	11.5%	24.6%	57.9%	58.0%	61.7%
Provision (AED'000)	74,697	-	1,204	5,113	2,855	7,344	11,239	46,942
Net trade receivables and accrued revenue (AED'000)	201,299	49,488	61,065	39,448	8,740	5,335	8,140	29,083
2022								
Trade receivables and accrued revenue (AED '000)	286,109	36,100	73,723	48,081	20,078	12,264	20,533	75,330
Provision %	-	0%	1.8%	6.6%	16.0%	36.8%	64.1%	65.5%
Provision (AED'000)	74,697	-	1,310	3,176	3,222	4,510	13,166	49,313
Net trade receivables and accrued revenue (AED'000)	211,412	36,100	72,413	44,905	16,856	7,754	7,367	26,017

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 456,361 thousand (2022: AED 422,502 thousand) (Note 22) as collateral against receivables. Other classes of trade and other receivables do not contain impaired assets.



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 in accordance with paragraph 25 of IAS 24 Related Party Disclosure and consider the entities (other than disclosed below) controlled by Government of Dubai as non-related.

(in AED'000)

	2023	2022
Transactions with related parties		
<i>Services rendered to entities under common control of shareholders</i>		
Dubai Properties Group LLC	153,660	156,130
Meraas Holding LLC	39,051	41,598
Jumeirah Group LLC	51,341	49,083
Tecom Investments FZ LLC	68,072	66,206
Global Village Dubai LLC	698	684
	312,822	313,701
<i>Acquisition of DXB Cool</i>		
Dubai Aviation City Corporation	892,500	-
<i>Dividend to shareholders</i>		
Tecom Investments FZ LLC*	-	150,000
Emirates Power Investment LLC*	204,000	870,000
Dubai Electricity and Water Authority (DEWA)	476,000	2,380,000
	680,000	3,400,000
<i>Services received from shareholder</i>		
Dubai Electricity and Water Authority (DEWA)	1,277,023	1,125,582
<i>Services rendered to entities under common control of Ultimate parent</i>		
Dubai Airports Corporation	107,535	-
<i>Services received from entities under common control of Ultimate parent</i>		
Finance cost from Emirates NBD PJSC	252,751	65,661
<i>Key management remuneration</i>		
Board of directors' remuneration (Note 26)	7,000	6,521
<i>Compensation of key management personnel</i>		
Short term benefits	9,694	13,045
End of service benefits	520	520
	10,214	13,565

* On 9 May 2022, TECOM transferred its 30% interest in the Group to Emirates Power Investment LLC, an entity under common control as detailed in Note 1.

Balances with related parties

(in AED'000)

	2023	2022
Due from related parties		
<i>Shareholders</i>		
Dubai Electricity and Water Authority PJSC	4	16,048
Emirates Power Investment LLC	2	6,878
	6	22,926
<i>Entities under common control of shareholders</i>		
Tecom Investments FZ LLC	3,762	4,166
Jumeirah Group LLC	2,311	2,373
Meraas Holding LLC	602	1,858
<i>Others</i>	65	73
	6,740	8,470
<i>Others</i>		
Dubai Airports Corporation	2,075	-
	8,821	31,396

(in AED'000)

	2023	2022
Due to related parties		
<i>Shareholder</i>		
Dubai Electricity and Water Authority PJSC	113,854	237,543
<i>Entities under common control of shareholder</i>		
Dubai Properties Group LLC	17,955	13,016
Dubai Holding LLC	3,708	3,708
	21,663	16,724
<i>Others</i>		
Board of directors	-	2,564
Others	436	436
	135,953	257,267

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

(in AED'000)

	2023	2022
<i>Shareholder</i>		
Dubai Electricity and Water Authority PJSC	4,490	4,490
<i>Entities under common control of shareholder</i>		
Emirates NBD PJSC	4,498,463	4,462,871
Dubai Islamic Bank	6,892	1,255,245
Emirates Islamic Bank	40,220	13
Dubai Aviation City Corporation	1,042,888	-
Nakheel PJSC	301,003	305,157



13 Financial assets at fair value through profit or loss (FVTPL)

(in AED'000)

	2023	2022
Investment in National Bonds	10,000	-

14 Term deposits

(in AED'000)

	2023	2022
Short-term bank deposits – more than 3 months	27,500	11,300

The term deposits held by the Group have original maturities of more than 3 months. These short-term bank deposits bear an effective interest rate ranging from 5.50% to 5.75% per annum (2022: 5.35% to 5.75% per annum).

Term deposits are presented as cash equivalents only if they have a maturity of three months 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.

15 Cash and cash equivalents

(in AED'000)

	2023	2022
Cash at bank	168,980	216,208
Short-term bank deposits – less than 3 months	369,800	1,257,700
	538,780	1,473,908

Bank balances are held with branches of local and international banks. Short-term bank deposits bear an effective interest which ranges between 3.75% to 5.45%. (2022: 0.45% to 4.85% per annum).

16 Share capital

(in AED'000)

	2023	2022
Authorised, issued and fully paid up share capital		
Ordinary shares of 10,000,000 thousand AED 0.10 each	1,000,000	1,000,000

The authorised and paid up capital of the Company as at 31 December 2023 amounted to AED 1,000,000 thousand (2022: AED 1,000,000 thousand), of which AED 560,000 thousand (2022: AED 560,000 thousand) was contributed by DEWA, AED 240,000 thousand (2022: AED 240,000 thousand) was contributed by Emirates Power Investment LLC and AED 200,000 thousand by public shareholders (2022: AED 200,000 thousand).

In accordance with Decree No. 22 of 2022 issued by the Ruler of Dubai on 14 October 2022, the share capital of the Company was structured as part of the Initial Public Offering (IPO) process as follows:

Number of shares	10,000,000 thousand
Par value per share	AED 0.10
Capital	AED 1,000,000 thousand

17 Statutory reserve

In accordance with the Articles of Association of the Company and its subsidiaries of the Group, 5% of the profit for the year is required to be transferred to the statutory reserve for each entity. Such transfers are required to be made until the reserve equals 50% of the share capital in each of the subsidiaries. This reserve is not available for distribution, except in circumstances stipulated in the commercial laws applicable to each entity. 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.

18 Contributed capital

In previous years, the Group received certain plots of land from the Government of Dubai, which were valued by an independent firm. As disclosed in Note 2.11, the value of such land, equivalent to AED 64,690 thousand, was treated as a capital contribution from the shareholders as the Company is controlled by DEWA, which is also controlled by the Government of Dubai.

During the year 2020, the Group also received 2 plots of land from Meydan City Corporation, with a value of AED 17,500 thousand.

The total contributed capital amounted to AED 82,190 thousand (2022: AED 82,190 thousand).

19 Bank borrowings

(in AED'000)

	2023	2022
Term loan	4,500,000	4,500,000
Unamortised loan cost	(7,562)	(10,414)
Total	4,492,438	4,489,586
Less: current portion	-	-
Non-current portion	4,492,438	4,489,586

The movement in bank borrowings during the year:

(in AED'000)

	2023	2022
As at 1 January	4,489,586	1,987,885
Drawdown during the year*	-	5,418,237
Interest expense during the year (Note 30)	220,729	86,390
Interest capitalised during the year (Note 30)	46,819	12,738
Interest paid during the year	(267,548)	(99,128)
Principal repayment during the year	-	(2,912,984)
Arrangement fee charged to profit and loss		
(current borrowings/ previous borrowings)	2,852	6,862
Unamortised arrangement fee	-	(10,414)
As at 31 December	4,492,438	4,489,586

* On 29 March 2022, the Group entered into a bridge loan facility with Dubai Islamic Bank PJSC, a related party, amounting to USD 250,000 thousand (AED 918,237 thousand) with a tenor of 1 year from utilisation date with a profit rate of Libor + margin and with a fee of 1% of the loan amount. The amount was fully drawn down on 31 March 2022.

On 26 September 2022, the Company entered into term facility agreements with Emirates NBD PJSC, an entity under common control for AED 5,500,000 thousand as a facility agent. These facilities are guaranteed by the Company and Palm District Cooling LLC. The Group utilised AED 4,500,000 thousand from the new long term loan facility and repaid its existing borrowings amounting to AED 2,912,984 thousand. The unamortised loan amount on the existing borrowings amounting to AED 6,862 thousand was fully charged to profit and loss. The new long-term loan includes AED 11,108 thousand arrangement fee out of which AED 2,852 thousand (2022: AED 694 thousand) was charged to profit and loss during the year ended 31 December 2023.



Below are the terms of the current facility agreement:

(in AED'000)

Facility	Term	Interest rate	Amount
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 maturity profile of the borrowings is as follows:

(in AED'000)

	2023	2022
After one year but not more than three years	2,743,469	2,743,469
More than 3 years	1,748,969	1,748,969
	4,492,438	4,492,438

The undrawn term loan facilities is AED 1,000,000 thousand as at 31 December 2023 (2022: AED 1,000,000 thousand) at a floating rate linked to EIBOR plus margin.

The Group had an outstanding balance in bank guarantees and letters of credits amounting to AED 3,842 thousand (2022: AED 4,887 thousand) which were fully payable to Emirates NBD PJSC, a related party for the Group (Note 33).

The Group has the financial bank covenants to maintain net debt to tangible net worth and net debt to EBITDA. The Group has complied with its financial covenants as at reporting period end.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing ranges between one to twelve months. The fair value of current borrowings equals their carrying amount, as the loans are priced based on EIBOR plus a margin.

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 the 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.

(in AED'000)

	2023	2022
At 1 January	311,508	373,670
Disposals *	-	(59,382)
Released during the year (Note 29)	(2,780)	(2,780)
At 31 December	308,728	311,508
Less: current portion	(3,170)	(3,170)
Non-current portion	305,558	308,338

* During 2022, the Group returned eleven plots of land to a related party amounting to AED 59,382 thousand (Note 5) which were granted to the Group in prior years for the purpose of constructing district cooling plants. Accordingly, the Group reversed the carrying amount from property, plant and equipment and the corresponding deferred government grant.

21 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 2023 and 2022, 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.

The following tables summarise the components of net benefit expense recognised in the consolidated statement of profit or loss and other comprehensive income:

(in AED'000)

	2023	2022
Current service cost	4,867	14,101
Interest cost	2,319	1,867
Net expense recognised in the consolidated statement of profit or loss	7,186	15,968
Actuarial gain recognised in the consolidated statement of comprehensive income	(7,432)	(8,297)

Changes in the present value of defined benefit obligations is as follows:

(in AED'000)

	2023	2022
At 1 January	56,035	49,703
Current service cost	4,867	14,101
Interest cost	2,319	1,867
Benefits paid during the year	(1,123)	(1,339)
Actuarial gain recognised in the consolidated statement of comprehensive income	(7,432)	(8,297)
At 31 December	54,666	56,035

The expected maturity analysis of undiscounted benefits plans is as follows:

(in AED'000)

	Less than 12 months	1 to 5 years	>5 years	Total
As at 31 December 2023				
Defined benefits obligation	10,914	27,882	30,010	68,806
	10,914	27,882	30,010	68,806
As at 31 December 2022				
Defined benefits obligation	7,232	29,025	32,197	68,454
	7,232	29,025	32,197	68,454

(in AED'000)

	2023	2022
United Arab Emirates	54,666	56,035
At 31 December	54,666	56,035

Management believes that no reasonably possible change in any of the below key assumptions would have material impact on the amounts disclosed in the consolidated financial statements.

The principal assumptions used in determining the provision for end of service benefit obligations are shown below:

	2023	2022
Discount rate per year	4.25%	4.10%
Salary increase per year	3%	5%

Contribution plan

The amount of pension contribution made by the Group for UAE Nationals during the year is AED 4,686 thousand (2022: AED 4,515 thousand).



22 Trade and other payables

(in AED'000)

	2023	2022
Refundable customers' security deposits (Note 11)	456,361	422,502
Deferred revenue	341,792	290,225
Project cost accruals	240,489	287,932
Retentions payable	87,731	100,908
Project payables	75,796	95,951
Other liabilities*	219,130	305,248
Total	1,421,299	1,502,766
Less: Non-current portion retentions payable	(18,036)	(5,257)
Current portion	1,403,263	1,497,509

* Other liabilities include accrued expenses for water, electricity, staff liabilities etc.

Movement in deferred revenue is as follows:

(in AED'000)

	2023	2022
At 1 January	290,225	335,556
Billed during the year	1,231,736	1,117,939
Less: Income recognised during the year	(1,180,169)	(1,163,270)
At 31 December	341,792	290,225

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 recognised 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:

(in AED'000)

	2023	2022
Revenue recognised that was included in the contract liability balance at the beginning of the period	96,787	125,406
Revenue recognised from performance obligations satisfied in previous periods	-	-

Revenue is recognised at the point in time for connection fee to building owners at which the performance obligation is satisfied.

23 Revenue

(in AED'000)

	2023	2022
District cooling services	3,017,829	2,766,231
Sale of pre-insulated pipes	17,374	26,308
Total	3,035,203	2,792,539

24 Operating segments

The Group has determined that the Board of Directors, are the Chief Operating Decision-Makers ("CODM") 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 manufacture, assemble and selling activities relating to the expansion of the Group's chilled water business.

(in AED'000)

	2023				2022			
	Chilled water	Pre-insulated pipe	Intersegment eliminations	Total	Chilled water	Pre-insulated pipe	Intersegment eliminations	Total
Revenues								
External revenue*	3,017,829	17,374	-	3,035,203	2,766,231	26,308	-	2,792,539
Inter-segment revenue	-	37,864	(37,864)	-	-	19,908	(19,908)	-
Interest earned on financial asset	38,711	-	-	38,711	18,545	-	-	18,545
Total revenues	3,056,540	55,238	(37,864)	3,073,914	2,784,776	46,216	(19,908)	2,811,084
Cost of sales	(1,725,862)	(36,449)	21,433	(1,740,878)	(1,528,455)	(34,567)	11,174	(1,551,848)
Impairment reversal of project cost	-	-	-	-	12,727	-	-	12,727
Gross profit	1,330,678	18,789	(16,431)	1,333,036	1,269,048	11,649	(8,734)	1,271,963
General and administrative expenses	(211,927)	(8,358)	-	(220,285)	(202,557)	(7,420)	-	(209,977)
Provision for expected credit losses	-	-	-	-	(17,865)	-	-	(17,865)
Other income	5,872	1,248	-	7,120	6,582	1,183	-	7,765
Operating profit	1,124,623	11,679	(16,431)	1,119,871	1,055,208	5,412	(8,734)	1,051,886
Finance income	42,120	1,473	-	43,593	34,716	838	-	35,554
Finance costs	(220,833)	-	-	(220,833)	(86,685)	-	-	(86,685)
Profit before tax	945,910	13,152	(16,431)	942,631	1,003,239	6,250	(8,734)	1,000,755
Income taxes	17,454	-	-	17,454	-	-	-	-
Net profit for the year	963,364	13,152	(16,431)	960,085	1,003,239	6,250	(8,734)	1,000,755

Inter-segment transactions are eliminated on consolidation.

* External revenue include connection charges related to the connection of individual customer units and is recognised over the provision period of district cooling services.



Segment results include an amount of depreciation and amortisation allocated to the operating segments as follows:

(in AED'000)

	2023			2022		
	Chilled water	Pre-insulated pipe	Total	Chilled water	Pre-insulated pipe	Total
Depreciation of property, plant & equipment (Note 5)	330,399	2,485	332,884	310,468	1,339	311,807
Depreciation of right-of-use asset (Note 6)	3,158	-	3,158	2,868	-	2,868
Amortisation of intangible asset (Note 7)	12,157	-	12,157	12,157	-	12,157
Total depreciation and amortisation	345,714	2,485	348,199	325,493	1,339	326,832

Segment assets and liabilities are as follows:

(in AED'000)

	2023			2022		
	Chilled water	Pre-insulated pipe	Total	Chilled water	Pre-insulated pipe	Total
Segment assets	9,626,555	101,304	9,727,859	9,565,808	88,860	9,654,668
Investment in joint venture	307	-	307	307	-	307
Total assets	9,626,862	101,304	9,728,166	9,566,115	88,860	9,654,975
Total liabilities	6,403,832	13,333	6,417,165	6,606,193	14,040	6,620,233

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

(in AED'000)

	2023			2022		
	Chilled water	Pre-insulated pipe	Total	Chilled water	Pre-insulated pipe	Total
Property, plant and equipment	275,613	12	275,625	392,227	42	392,269

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:

(in AED'000)

	Revenue		Non-current assets	
	2023	2022	2023	2022
United Arab Emirates	3,026,127	2,792,539	8,761,136	7,776,101
Kuwait	9,076	-	-	-
	3,035,203	2,792,539	8,761,136	7,776,101

25 Cost of sales

(in AED'000)

	2023	2022
Utilities cost	1,285,778	1,134,086
Depreciation on property, plant and equipment (Note 5)	324,474	304,890
Staff costs (Note 27)	39,175	38,599
Repairs and maintenance – plant and equipment	28,376	29,667
Amortisation of intangible assets (Note 7)	12,157	12,157
Materials (Note 10)	11,662	18,959
Depreciation on right-of-use assets (Note 6)	154	692
Others *	39,102	12,798
	1,740,878	1,551,848

*Others include expenses related to spares, consumables, insurance, freight and transportation etc.

26 General and administrative expenses

(in AED'000)

	2023	2022
Staff costs (Note 27)	164,454	158,032
Depreciation on property, plant and equipment (Note 5)	8,410	6,917
Directors' remuneration (Note 12)	7,000	6,521
Bank charges	5,931	5,052
Communication expenses	5,350	4,872
Advertising and marketing expenses	4,929	2,780
Software – AMC	3,146	2,889
Depreciation on right-of-use assets (Note 6)	3,004	2,176
HSE equipment expenses	2,246	2,590
Business travel	1,895	448
Water & Electricity	1,868	1,190
Repairs & Maintenance – others	1,584	4,248
Rent (Note 6)	593	488
Others	9,875	11,774
	220,285	209,977



27 Staff costs

(in AED'000)

	2023	2022
Salaries	127,172	118,761
Staff benefits	69,271	61,902
End of service benefits (Note 21)	7,186	15,968
	203,629	196,631
Staff costs have been charged to:		
Cost of sales (Note 25)	39,175	38,599
General and administrative expenses (Note 26)	164,454	158,032
	203,629	196,631

28 Income taxes

(a) Component of income tax expense / (benefit)

Income tax credit recorded in consolidated statement of profit or loss comprises of the following:

(in AED'000)

	2023	2022
Current tax	-	-
Deferred tax	17,454	-
Income tax credit for the year	17,454	-

The Group will be subject to income tax (Note 1) with effect from 1 January 2024, and current taxes will be accounted, as applicable, for the period beginning 1 January 2024.

(b) Deferred taxes analysed by type of temporary difference

Differences between IFRS Accounting Standards and statutory taxation regulations in the UAE give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases. The deferred tax asset balance comprises temporary difference attributable to property, plant & equipment amounting to AED 17,454 thousand (2022: Nil).

The deferred tax asset relates to historical Purchase Price Allocation adjustments relating to the acquisition of Palm District Cooling LLC. No other potential deferred tax assets or liabilities have been identified as at 31 December 2023.

The Group will continue to assess the impact of any future changes in enacted law when such changes are substantially enacted or enacted.

29 Other income

(in AED'000)

	2023	2022
Government grant (Note 20)	2,780	2,780
Scrap sale	1,813	1,465
Rental income	1,290	645
Others	1,237	2,875
	7,120	7,765

30 Finance costs – net

(in AED'000)

	2023	2022
Interest income on short-term bank deposits	38,085	28,762
Interest income on financial assets at FVOCI (Note 9)	3,947	3,305
Interest income on call account with banks	1,489	1,487
Interest income on financial assets at FVTPL	72	2,000
Total finance income	43,593	35,554
Interest on lease liabilities	(104)	(295)
Interest expense on bank borrowings	(264,696)	(90,652)
Amortisation of arrangement fee	(2,852)	(8,476)
	(267,652)	(99,423)
Interest expenses capitalised	46,819	12,738
Total finance costs	(220,833)	(86,685)
Finance costs – net	(177,240)	(51,131)

Capitalised borrowing costs

The capitalisation rate used to determine the amount of borrowing costs is the weighted average interest rate applicable to the entity's general borrowings during the year of 5.882% (2022 – 2.900%).

31 Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

(in AED'000)

Amortised cost	2023	2022
Cash and cash equivalents (Note 15)	538,780	1,473,908
Financial assets at amortised cost (Note 8)	1,343,891	305,157
Trade and other receivables, excluding prepayments and advance to contractors / suppliers (Note 11)	215,632	221,047
Due from related parties (Note 12)	8,821	31,396
Term deposits (Note 14)	27,500	11,300
Total	2,134,624	2,042,808

Fair value through other comprehensive income (FVTOCI)

(in AED'000)

	2023	2022
Financial assets at fair value through other comprehensive income (Note 9)	54,153	52,911

**Financial assets at fair value through profit or loss (FVTPL)***(in AED'000)*

	2023	2022
Investment in National Bonds (Note 13)	10,000	-

(in AED'000)

	2023	2022
Other financial liabilities at amortised cost		
Bank borrowings (Note 19)	4,492,438	4,489,586
Trade and other payables (excluding deferred revenues and non-current retention payable) (Note 22)	1,079,507	1,212,541
Due to related parties (Note 12)	135,953	257,267
Lease liabilities (Note 6)	4,081	3,071
	5,711,979	5,962,465

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**Acquisition of DXB COOLCO FZCO**

On 18 May 2023, the Group entered into a sale and purchase agreement with Dubai Aviation City Corporation ('DACC') to acquire 85% share capital of DXB Cool for a consideration of AED 892,500 thousand.

DXB Cool is a company incorporated in Dubai Airport Freezone Authority, and has a concession agreement with Dubai Aviation City Corporation (DACC) which granted it the sole and exclusive rights to operate, maintain and perform the district cooling services within the Dubai International Airport for a term of 35 years from the commencement date (5 July 2023).

The transaction with DACC is accounted under IFRIC 12 'Service Concession Arrangements' and DXB Cool holds a financial asset/receivable from DACC amounting to AED 1,050,000 thousand. In the Group's consolidated financial statements, a financial asset of AED 1,050,000 thousand has been recorded, along with a non-controlling interest of AED 157,500 thousand, representing DACC's 15% shareholding.

The financial asset will be recovered over the 35 year-period concession agreement.

Further, the financial asset is initially recognised at fair value and subsequently measured at amortised cost. The fair value of the financial asset is the transaction price which is mutually agreed between the market participants through a competitive bidding process.

Details of the purchase consideration, the net assets acquired at date of acquisition are as follows:

(in AED'000)

	2023
Consideration paid	892,500
Net assets acquired which represents financial asset at amortised cost (Note 8)	1,050,000
Non-controlling interests	157,500

Gain on acquisition	-
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Non-controlling interests

Set out below is summarised financial information for DXB Cool.

(in AED'000)

	2023
Summarised statement of financial position	
Current assets	76,593
Current liabilities	10,653
Current net assets	65,940
Non-current assets	1,028,898
Net assets	1,094,838
Accumulated NCI	164,264

(in AED'000)

	2023
Summarised statement of comprehensive income	
Revenue	107,535
Total comprehensive income	45,090
Profit allocated to NCI	6,764

(in AED'000)

	2023
Summarised statement of cash flows	
Cash flows from operating activities	57,661
Cash flows from investing activities	(547)
Net increase in cash and cash equivalents	57,114

33 Guarantees

As at 31 December 2023, the Group had outstanding bank guarantees and letters of credits amounting to AED 3,842 thousand (2022: AED 4,887 thousand), which were issued by the Group's bankers in the normal course of business.

34 Commitments**Capital commitments**

As at 31 December 2023, the Group had project commitments of AED 687,341 thousand (2022: AED 509,685 thousand)



for projects-in-progress. These commitments represent the value of contracts issued as at 31 December 2023 and as at 31 December 2022, net of invoices recorded and accruals made as at that date.

35 Earnings per share

(in AED'000)

	2023	2022
Profit attributable to the ordinary equity holders of the Company	952,927	1,000,567
Weighted average number of ordinary shares used as a denominator in calculating basic earnings per share	10,000,000	10,000,000
Basic and diluted earnings per share	0.095	0.100

36 Non-cash transactions

(in AED'000)

	2023	2022
Additions of right-of-use-assets (Note 6)	4,284	3,957
Customer prepayment and security deposit (Note 22)	-	5,606

37 Investment properties

(in AED'000)

	2023	2022
	Land and building under construction	Land and building under construction
At 1 January	72,859	-
Transfer from land (Note 5)	-	2,536
Transfer from property, plant and equipment (Note 5)	-	70,323
Additions during the year	12,786	-
At 31 December	85,645	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 third quarter of 2024. The investment property includes Land amounting to AED 2,536 thousand (2022: AED 2,536 thousand).

During 2022, management revisited its plan of occupation and concluded to occupy only one tower for its use along with its related common area. As a result, the carrying amount of one tower and related areas were transferred to investment properties from property, plant and equipment (Note 5).

The investment property is completed and as of 31 December 2023, the fair value of investment property approximates to AED 109,950 thousand.

38 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.

(in AED'000)

	Level 1	Level 2	Level 3	Total
31 December 2023				
Financial assets at fair value through other comprehensive income (Note 9)	54,153	-	-	54,153
	54,153	-	-	54,153
31 December 2022				
Financial assets at fair value through other comprehensive income (Note 9)	52,911	-	-	52,911
	52,911	-	-	52,911

There were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

Specific valuation techniques used to value financial instruments include:

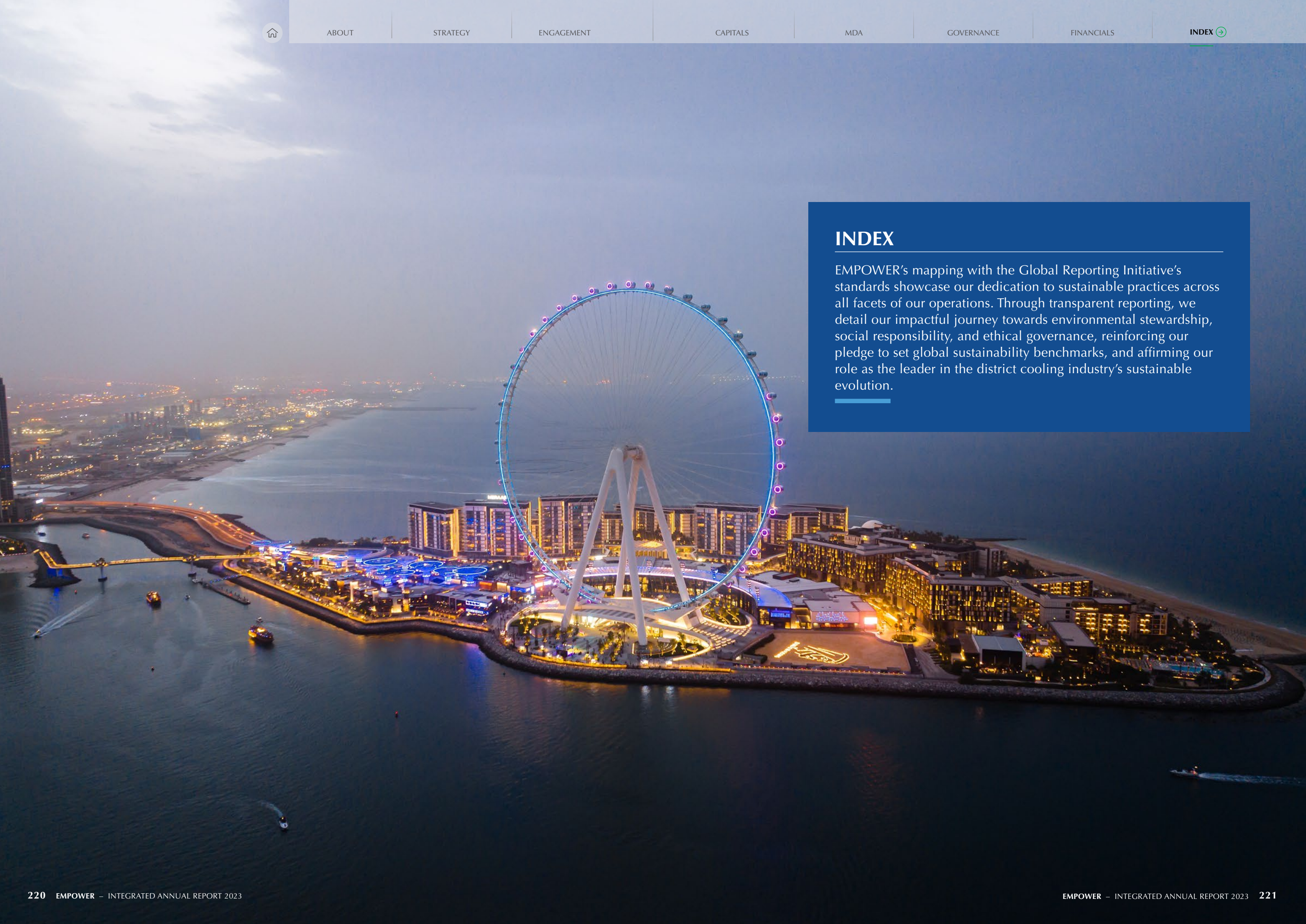
- the use of quoted market prices or dealer quotes for similar instruments; and
- for other financial instruments - discounted cash flow analysis. All of the resulting fair value estimates are included in level 2.

39 Dividends

(in AED'000)

	2023	2022
Interim dividend for the year ended 31 December 2023 AED 0.0425 per share (2022: AED 2.9 per share)	425,000	2,900,000
Final dividend for the year ended 31 December 2022 AED 0.0425 per share (2022: Final dividend for the year ended 31 December 2021, AED 0.5 per share)	425,000	500,000
Total dividends	850,000	3,400,000

During the year 2023, a final dividend of AED 425,000 thousand (AED 0.0425 per share) for the financial year ended 31 December 2022 was approved by the Shareholders in the Annual General Meeting held in March 2023 and subsequently paid in the month of April 2023 (2022: Final dividend of AED 500,000 thousand (AED 0.5 per share)). For the year 2023, an interim dividend of AED 425,000 thousand (AED 0.0425 per share) was approved by the Board of Directors in the month of September 2023 and subsequently fully paid in the month of October 2023 (2022: Interim dividend of AED 2,900,000 thousand (AED 2.9 per share)).



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EMPOWER's mapping with the Global Reporting Initiative's standards showcase our dedication to sustainable practices across all facets of our operations. Through transparent reporting, we detail our impactful journey towards environmental stewardship, social responsibility, and ethical governance, reinforcing our pledge to set global sustainability benchmarks, and affirming our role as the leader in the district cooling industry's sustainable evolution.

GRI Index

GRI Standard	Description	UNSDG # Icons	Strategic Pillar	Business Model Elements	Material Issues Surveyed	Chapter Name & Page
GRI 102: General Disclosures	Include information on operational structure, locations, and main activities.	-	-	-	24 Economy: Economic/ Financial Crises	Empower at a Glance 10 Financial & Operational Highlights 12 Iconic & Landmark Projects 18
GRI 103: Management Approach	Describe the approach to managing key impacts, risks, and opportunities in district cooling operations.	-		2 3 4 5 6 7 8 9	3 Environment: Climate Change Mitigation and Adaptation 15 Business Model & Innovation: Adapting to New Technologies 19 Leadership & Governance: Competitive Behaviour	Our Strategic Framework 32 Value Through Sustainable Cooling 36 How we create value 40
GRI 201: Economic Performance	Discuss financial implications and other risks and opportunities due to climate change.	 		7 8 9	24 Economy: Economic/ Financial Crises 25 Economy: Contribution to the Economic Development 26 Economy: Capital Values	Financial Capital 54 Management Discussion & Analysis 124
GRI 202: Economic Performance	Detail the organization's presence in the markets it operates, including geographic locations, sectors served, and significant changes during the reporting period.			1 2	25 Economy: Contribution to the Economic Development	Market & Operational Context 28 Manufactured Capital 60
GRI 203: Indirect Economic Impacts	Describe the broader economic impacts of the organization, including economic development in areas of operation.	 		3 4	24 Economy: Economic/ Financial Crises 25 Economy: Contribution to the Economic Development	Value Through Sustainable Cooling 36 Natural Capital 96

GRI Standard	Description	UNSDG # Icons	Strategic Pillar	Business Model Elements	Material Issues Surveyed	Chapter Name & Page
GRI 205: Anti-corruption	Report on policies, procedures, and outcomes related to anti-corruption assessments and actions.			-	17 Leadership & Governance: Business Ethics, Integrity, Transparency, and Anti-Briber	Corporate Governance Report 142 Directors' Report 158
GRI 206: Anti-competitive Behaviour	Discuss the organization's practices to ensure fair competition and its compliance with anti-trust and monopoly regulations.	 		-	19 Leadership & Governance: Competitive Behaviour	Corporate Governance Report 142
GRI 302: Energy	Detail energy consumption and efficiency measures, focusing on renewable energy use and efficiency improvements.	 		3 4	4 Environment: Energy Management and Renewable Energy Usage	Manufactured Capital 60 Natural Capital 96
GRI 303: Water and Effluents	Highlight water management strategies, including recycling and reuse in cooling processes.			3 4	5 Environment: Water Management	Natural Capital 96
GRI 304: Biodiversity	Report on impacts on biodiversity in protected areas and areas of high biodiversity value outside protected areas.			3 4	No relevant material issue specified	Natural Capital 96
GRI 305: Emissions	Report on greenhouse gas emissions and reduction initiatives.	 		3 4	3 Environment: Climate Change Mitigation and Adaptation	Manufactured Capital 60 Natural Capital 96
GRI 306: Waste	Describe waste handling, including hazardous and non-hazardous waste, and reduction efforts.	 		3 4	3 Environment: Climate Change Mitigation and Adaptation	Natural Capital 96
GRI 307: Environmental Compliance	Report on compliance with environmental laws and regulations.	 		3 4	3 Environment: Climate Change Mitigation and Adaptation	Natural Capital 96
GRI 401: Employment	Describe the organization's approach to employment, including total workforce by employment type, employment contract, and region.	 		7 8	10 Human Capital: Employee Skill Development and Well-being 12 Human Capital: Employee Engagement, Diversity, and Inclusion	Human Capital 76



GRI Standard	Description	UNSDG # Icons		Strategic Pillar	Business Model Elements		Material Issues Surveyed	Chapter Name & Page
GRI 402: Labour/Management Relations	Report on the organization's labour/management relations, including notifications of operational changes.						12 Human Capital: Employee Engagement, Diversity, and Inclusion	Human Capital 76
GRI 403: Occupational Health and Safety Management System	Outline health and safety measures for employees, including incident management and worker participation.						11 Human Capital: Employee Health and Safety	Human Capital 76
GRI 404: Training and Education	Report on training programs for employees, especially those related to environmental management and safety.						12 Human Capital: Employee Engagement, Diversity, and Inclusion	Human Capital 76
GRI 405: Diversity and Equal Opportunity	Provide information on diversity and inclusion policies and outcomes.						12 Human Capital: Employee Engagement, Diversity, and Inclusion	Human Capital 76
GRI 406: Non-discrimination	Confirm commitment to a workplace free from discrimination.						12 Human Capital: Employee Engagement, Diversity, and Inclusion	Human Capital 76
GRI 412: Human Rights Assessment	Discuss the assessment of human rights impacts, participation in human rights reviews, and remediation processes.						12 Human Capital: Employee Engagement, Diversity, and Inclusion	Human Capital 76
GRI 418: Customer Privacy	Outline measures to protect customer data and privacy.						6 Social Capital: Human Rights	Relationship & Social Capital 86

Disclaimer: The GRI Index Table provided in this report serves as a guidance tool, designed to assist readers in navigating Empower's Annual Report in the context of the Global Reporting Initiative (GRI) Standards. It is important to note that the linkages and references associated with each GRI Standard are intended to direct readers to sections within the report where related information can be found. However, these references should not be perceived as direct or comprehensive responses to each GRI Standard. Due to the holistic nature of our sustainability strategy and reporting, some responses may encompass broader themes or initiatives that extend beyond the specifics of a single GRI disclosure. Readers are encouraged to exercise discretion and refer to the detailed content of the report for a full understanding of Empower's sustainability practices and performance. The GRI Index Table is a starting point for exploration rather than a conclusive guide, and it aims to facilitate but not replace, thorough engagement with the entirety of our sustainability reporting.



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