EMPOWER
ENERGY
SOLUTIONS

Integrated Annual Report

2025

RESILIENT GROWTH, OPTIMISING THE FUTURE

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EMPOWER
ENERGY
SOLUTIONS

RESILIENT GROWTH, OPTIMISING THE FUTURE

For 2025, EMPOWER has demonstrated intensified dual-track momentum, advancing large-scale asset expansion while institutionalising intelligence-led utility stewardship. This strategic synthesis ensures that our "**resilient growth**" is anchored in a commanding market leadership fundamentally integrated into the emirate's urban fabric. By converting structural demand into predictable, annuity-style cash flows, the organisation remains one of the primary infrastructure anchors for Dubai's sustainable urban prosperity.

For this period, we delivered record-breaking financial results, with full-year revenue reaching AED 3.42 billion, a 4.90% YoY increase, while EBITDA rose to AED 1.65 billion, a 6.30% increase. This growth is substantiated by a physical connected capacity of 1.66 million RT across 1,747 buildings, bolstered by an unprecedented 1.94 million RT in total contracted capacity. These figures provide unparalleled visibility into the durability of future revenue streams.

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We are advancing our "**optimising the future**" agenda by systematically strengthening our human resources and embedding Fourth Industrial Revolution technologies into our core operating model. The institutionalisation of artificial intelligence and machine learning in our plant operations is expected to generate meaningful annual energy efficiencies, enhance predictive maintenance capabilities, and elevate overall system performance. This technology-led integration reinforces operational precision, cost discipline and long-term asset reliability across our network. During the year, our intelligence-led operations delivered strong system-wide operating performance, supporting resource discipline and long-term asset reliability.

EMPOWER's role as a critical partner in the national decarbonisation mandate is reflected in the substantial carbon emissions avoided each year through the widespread adoption of its district cooling model. Our commitment to resource circularity was further fortified by expanding our engineering resilience to mitigate supply chain volatility. Strategically, our sustainability governance reached new heights with the receipt of the MAJRA Gold Impact Seal. At the same time, our shared value creation was reflected in the consistent support for high-impact social advocacy.

For intrinsic investors, EMPOWER offers a unique defensive growth proposition. With a record profit after tax of AED 1 billion, a 10.50% YoY increase, and the distribution of AED 875 million in total dividends, we provide a high-yield, low-volatility entry point into the emirate's expansion. By synchronising engineering excellence with disciplined capital stewardship, EMPOWER continues to drive a model where environmental stewardship and social impact are fundamental levers for margin protection and long-term value creation.

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Reporting basis, scope and assurance

This Integrated Annual Report is EMPOWER's primary statement of how the Group creates and protects value over time, and how that value creation is sustained through disciplined governance, operational delivery, and responsible stewardship of resources and relationships. It is designed to connect financial outcomes with the underlying drivers that determine performance quality, such as system reliability, risk oversight, customer trust, workforce capability, and climate and regulatory alignment. Our approach is anchored in integrated thinking: we report performance as an interconnected system rather than as separate financial and sustainability narratives, and we focus on the matters that substantively influence decision-making by capital providers and other stakeholders. The report therefore emphasises connectivity and accountability, using established reporting disciplines to ensure that disclosures are consistent, evidence-based, and aligned to recognised principles of transparency, stakeholder inclusivity, and materiality.

Purpose and audience

This Integrated Annual Report presents how Emirates Central Cooling Systems Corporation PJSC (EMPOWER) creates value in the short, medium, and long term through the interaction of strategy, governance, performance, and prospects. The report is intended to support decision-making by shareholders, lenders, regulators, customers, employees, partners and other stakeholders by explaining not only the financial results, but also the non-financial drivers that shape resilience, service continuity, risk management, and long-term competitiveness.

Reporting scope, boundary and period

This Integrated Annual Report covers the financial year from 1 January 2025 to 31 December 2025 and describes the performance of EMPOWER and its subsidiaries (together, the "Group") in the United Arab Emirates. The reporting boundary includes operations under the Group's direct control. Where information relating to the value chain is included, it is presented only to the extent that it is relevant to understanding material risks, opportunities, dependencies, and outcomes, and is explicitly identified as such.

The report is structured around an integrated value-creation logic, describing the Group's performance across the six capitals: financial, manufactured, intellectual, human, social and relationship, and natural capital.

Frameworks, standards and regulatory alignment

This report has been prepared with reference to leading international reporting frameworks and relevant local regulatory expectations to enhance transparency, comparability and accountability:

- **UAE regulatory and market disclosure expectations:** Prepared with due regard to UAE Capital Market Authority requirements and Dubai Financial Market rules and disclosure practices applicable to listed issuers.
- **Integrated reporting framework:** Guided by the Integrated Reporting Framework maintained under the auspices of the International Financial Reporting Standards Foundation (IFRS), applying a connectivity-based narrative from strategic intent to execution and outcomes.
- **Sustainability reporting standards:** Prepared with reference to the GRI Standards for sustainability impacts and disclosures.
- **Stakeholder inclusivity and responsiveness principles:** Informed by the AA1000 AccountAbility Principles (2018), supporting a disciplined approach to stakeholder engagement and responsiveness.
- **Global and national agendas:** Mapped, where relevant, to the UN Sustainable Development Goals (SDGs), and the UAE Net Zero 2050 strategic direction.

Reporting principles and quality controls

In preparing this report, the Group applied recognised reporting quality principles, including accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability. These principles are supported by internal data governance processes, documented methodologies for key metrics, defined reporting owners, and internal review protocols, all designed to enhance the reliability and consistency of disclosures.

Materiality basis

The selection and prioritisation of topics in this report are informed by the Group's 2025 Double Materiality Assessment. This process is designed to identify, evaluate and prioritise matters that are significant to the Group's ability to create enterprise value, and those that have the greatest impact on the economy, environment and people. Material topics guide the placement of content across strategy, risk, performance, and the relevant sections of the six-capitals narrative.

Assurance, governance and responsibility

- **Financial information:** The consolidated financial statements for the year ended 31 December 2025 have been audited by the Group's appointed external auditor, and the independent auditor's report is included within the financial statements section of this report.
- **Non-financial information:** Sustainability and operational disclosures are prepared by management using defined internal reporting protocols and are subject to internal review procedures. Where applicable, governance oversight is applied through management committees and internal assurance activities.
- **Board responsibility:** The Board of Directors assumes ultimate responsibility for the integrity of this Integrated Annual Report, including the appropriateness of its strategic narrative, the completeness of material disclosures, and the overall fairness of presentation.

Forward-looking statements

This report may contain forward-looking statements relating to expected developments, strategic priorities, operational plans and sustainability-related ambitions. Such statements reflect management's current expectations and assumptions at the time of publication. Actual outcomes may differ due to risks and uncertainties, including, among others, changes in economic conditions, regulatory requirements, market dynamics, operational factors, and resource availability. Unless required by applicable laws or regulations, the Group does not undertake any obligation to update forward-looking statements solely as a result of new information or subsequent events.

Integrated logic and value-creation pathways

Connectivity and integrated logic

This Integrated Annual Report is built on a structured value-creation pathway that connects context, strategy, execution and outcomes in a disciplined and traceable manner. The operating environment defines the external drivers and constraints within which the Group functions; strategy translates those conditions into clear capital allocation and operational priorities; performance disclosures evidence delivery against those priorities; and governance explains the oversight mechanisms that safeguard resilience and accountability. Materiality functions as the organising discipline across this pathway, determining which risks, opportunities and impact areas receive prominence and how they are embedded within the KPI framework, principal risk disclosures, capital deployment decisions and Board-level supervision. This integrated logic ensures that financial performance, sustainability outcomes and risk management are not reported as parallel narratives, but as interdependent components of a single value-creation system.

Report structure and navigation guide

Core reporting pillar	Focus and content
Strategy and value creation	Leadership perspectives, investment proposition, business model inputs/ outputs, and strategic priorities.
Performance and resilience	Integrated review of operational and financial results, capacity conversion, and the consolidated KPI dashboard.
Environmental, Social and Governance (ESG) and sustainability	Double materiality results, environmental efficiency metrics, safety performance, and social impact.
Governance and assurance	Board composition, committee activities, internal control environment, and risk management.
Financial statements	Audited consolidated financial position, comprehensive income, and detailed accounting notes.

Navigation symbols and indicators

Strategic pillars are used to link operational activities to our long-term goals:

Icons	Strategic pillars
	Pillar 1 - Enable scalable and resilient growth
	Pillar 2 - Achieve operational excellence
	Pillar 3 - Leverage technology and digital optimisation

Icons	Strategic pillars
	Pillar 4 - Deliver sustainable and energy-efficient cooling
	Pillar 5 - Strengthen customer and stakeholder relationships

Compliance and alignment frameworks

SDG: United Nations Sustainable Development Goals alignment.

UNSDG #	Icon	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 16		Peace, Justice and Strong Institutions
UNSDG 17		Partnerships for the Goals

GRI: Global Reporting Initiative standard disclosures.

Materiality: The Engine of Integrated Value

Visualizing EMPOWER's 25 material topics grouped into three strategic pillars to demonstrate how they drive integrated value for the 2025 report.

EMPOWER identifies 25 material topics critical to long-term value creation, categorized into three pillars aligned with UAE's Net Zero 2050 and D33, forming the 2025 integrated Annual Report foundation.

Overlapping top material issues

Ranked in top 10 for both impact and Financial Materiality

1 — ENVIRONMENTAL — Climate Transition and GHG Emissions

24 — GOVERNANCE — Customer Data Privacy and Digital Trust

19 — GOVERNANCE — Regulatory and Concession Compliance

16 — SOCIAL — Customer Service Reliability and Continuity

21 — GOVERNANCE — Cybersecurity and Operational Technology Resilience

20 — GOVERNANCE — Risk Management and Internal Controls

3 — ENVIRONMENTAL — Energy Efficiency and Demand Optimisation

6 — ENVIRONMENTAL — Water Stewardship and Discharge Quality

At a glance

Expanding capacity, securing visibility, enhancing efficiency

EMPOWER maintained an intensified dual-track momentum throughout 2025, simultaneously accelerating large-scale infrastructure expansion while institutionalising intelligence-led optimisation. By the end of the year, we successfully scaled our network to reach 1.66 million RT of connected capacity, directly supporting the sustained growth of Dubai's real estate sector. Concurrently, the integration of artificial intelligence in district cooling ensures our operational evolution remains perfectly anchored in the UAE Net Zero 2050 strategy.

During 2025, connected capacity increased to 1.66 million Refrigeration Tons (RT) from 1.57 million RT at the end of 2024, driven by steady quarterly additions, expanded coverage to 1,747 buildings, and the commissioning of key assets including the Deira Waterfront district cooling plant.

Concurrently, our total contracted capacity ascended to 1.94 million RT, a trajectory underpinned by the signing of 163 new long-term agreements in 2025, which bolsters future revenue visibility and reinforces the durability of our annuity-style cash flows. To support this demand-led growth, we advanced critical infrastructure developments across Jumeirah Village, Dubai Science Park, and Al Sufouh 2, ensuring our network expansion keeps pace with the emirate's vertical and commercial expansion while maintaining the highest standards of disciplined capital deployment. Collectively, these milestones represent a significant stride toward our objectives, providing a stable foundation for the emirate's sustainable economic prosperity.

Bolstered by predictable revenue visibility and a core mandate for embedded decarbonisation, EMPOWER is on a definitive path to scale its connected capacity to 1.86 million RT by 2027, supporting Dubai's green developments while delivering long-term shareholder value.

6%

Increase in connected capacity YoY

With connected capacity surpassing 1.66 million RT across 1,747 buildings, our growth remains well synchronised with Dubai's vertical expansion and providing a stable foundation for the Emirate's sustainable economic prosperity.

Strategic positioning and context

Dimension	2025 Performance	Strategy and ESG alignment
Market leadership	Continued to be the world's largest district cooling services provider	Sustains global scale leadership, strengthening long-term contracted revenues; aligned with organisational profile and operating context disclosures under ***GRI 2-1*** and ***2-6***
Policy alignment	Aligned with UAE Net Zero 2050, EMPOWER sets the benchmark for efficient and sustainable cooling	Positions the Company as a policy-aligned infrastructure partner supporting national decarbonisation and economic growth; relevant to UAE federal's ESG framework and International Sustainability Standards Board (ISSB) S1
Technology enablement	Artificial Intelligence (AI)-embedded operations	Supports transition to intelligence-led efficiency, enhancing margin resilience and risk management; aligned with ISSB S1 strategy and risk disclosures
Capacity base	**1.94 million** RT contracted	Enhances revenue visibility and disciplined capital allocation on the path to 1.86 million connected RT by 2027; aligned with ***GRI 203-1***
Key sustainability recognition for 2025	MAJRA Gold Impact Seal	Confirms best-in-class sustainability governance and strengthens licence to operate; aligned with UAE federal ESG recognition parameters

Financial resilience and growth

Metric	2025 performance (available data)	Strategy and ESG alignment
Revenue	**AED 3.42 billion**	Demonstrates resilient, annuity-led growth underpinned by long-term contracts; aligned with ***GRI 201-1*** economic performance disclosures
EBITDA	**AED 1.65 billion**	Reflects operating leverage from scale and efficiency, supporting sector-leading margins within the MD&A value creation narrative
Net profit (pre-tax)	**AED 1.10 billion**	Indicates earnings durability despite ongoing expansion, reinforcing capital stewardship discipline
Dividends paid	**AED 875 million**	Illustrates predictable shareholder returns and disciplined capital allocation; aligned with ***GRI 201-1***
Market capitalisation	**~AED 15.7 billion**	Represents a valuation recalibration, with investor focus remaining anchored on cash-flow durability, regulated-style economics, and long-term capacity visibility

Operational footprint and scale

Indicator	2025 performance	Strategy and ESG alignment
Connected capacity	**1.66 million** RT	Disciplined and long-term returns; aligned with ***GRI 203-1***
Contracted capacity	**1.94 million** RT	Secures future revenue base through long-term agreements, de-risking the growth trajectory
Buildings served	**1,747**	Expanding network density strengthens service reliability and competitive positioning; aligned with ***GRI 2-6***
Network length	**430+** km	Infrastructure scale and redundancy create barriers to entry and support system resilience
Iconic & landmark projects contracted in 2025	The Island, Uptown Dubai Phase 2 and Palm Gateway.	Anchors premium developments, improving portfolio quality and long-term demand visibility

Sustainability and ESG leadership

Esg area	Performance delivered	Strategy and ESG alignment
Federal recognition	MAJRA Gold Impact Seal	Validates sustainability governance and compliance with UAE federal ESG expectations
Green infrastructure	DLRC plant LEED Gold	Future-proofs assets against tightening environmental standards; aligned with ***GRI 302 and 303***
Water stewardship	**9.22%** Treated Sewage Effluent (TSE) / recycled water share	Advances resource efficiency in a water-stressed region, with clear targets aligned with ***GRI 303-5***
Climate impact	**1.08 million** tCO_2 mitigated annually in 2025	Embeds emissions avoidance within the core business model; aligned with ***GRI 305-5***
Health and safety	EMPOWER recorded **7.52 million** working man-hours in 2025 **1,857** Health, Safety and Environment (HSE) site inspections conducted **3** Lost Time Injuries (LTIs) recorded: two involving the internal workforce and one involving a contractor.	Demonstrates a mature safety culture and operational discipline; aligned with ***GRI 403***
Community impact	**AED 748,441** in financial and in-kind contributions in 2025;	Fosters community well-being and shared value through health, environmental, and social advocacy; aligned with ***GRI 413***.

Innovation and human capital

Capability area	2025 performance	Strategy and ESG alignment
Digital adoption	**979,051** bill payments were processed through digital channels in 2025	Improves customer experience and reduces cost-to-serve through digital channels; aligned with ***GRI 418***
AI Optimisation	ML-based plant optimisation	Delivers technology-driven efficiency and margin sustainability; aligned with ISSB S1
Energy savings	**~8%** annual energy saving expected from integrating artificial intelligence and machine learning across EMPOWER's existing asset base	Links innovation directly to economic value creation and operational efficiency; aligned with ***GRI 302***
Emiratisation	**31.27%** of office staff, representing **111** UAE nationals	Supports UAE national talent development priorities; aligned with ***GRI 404***
Gender diversity	Emirati women comprising **61%** of the total female workforce at EMPOWER	Reinforces inclusive workforce practices and governance credibility; aligned with ***GRI 405***
Business enablement	**46,876** NOCs processed	Enhances ease of doing business and stakeholder outcomes through process efficiency

Chairman's message for the fiscal year 2025

> By expanding our district cooling network across Dubai, we are meeting rising demand with efficient, centrally managed cooling that supports the UAE's Net Zero 2050 ambition, while continuing to deliver dependable returns to shareholders.

AED
875 million

Dividends distributed in 2025
Backed by record revenues and sustained EBITDA margin discipline.

Dear Shareholders, Partners, and Employees,

It is a privilege to present EMPOWER's achievements for 2025, a year in which we reinforced our role as a key enabler of Dubai's sustainability goals and its continued urban evolution.

As the real estate sector sustained strong momentum, the requirement for dependable, high-performance district cooling intensified, not only as a comfort necessity but also as a determinant of Dubai's energy footprint. In a climate where cooling is integral to daily life and economic activity, how it is produced matters. By extending the reach of a centrally optimised district cooling network, we are helping reduce the electricity required for space cooling, directly lowering the emissions associated with power positioning, and positioning district cooling as a practical, high-impact lever in Dubai's pathway to a low-carbon economy. By aligning with the UAE Net Zero 2050 Strategy, the Dubai Clean Energy Strategy 2050 and the Dubai Net Zero Carbon Emissions Strategy 2050 we are promoting a growth model that is both competitive and sustainable.

Our growth is intrinsically linked to the expansion and diversification of Dubai's built environment. We concluded 2025 with a total connected capacity of 1.66 million refrigeration tonnes (RT), while our contracted capacity rose to 1.94 million RT. By the end of 2025, our service footprint expanded to a total of 1,747 buildings, anchored by new connections to landmark projects such as Al Habtoor Tower.

For EMPOWER, this growth signifies more than just scale. It reflects our success in weaving a resilient, efficient cooling network into the fabric of Dubai's rapidly evolving cityscape. Each new connection strengthens the entire system, embedding long-term efficiency into the city's residential, commercial, and mixed-use developments. As this portfolio continues to broaden, we are systematically establishing and scaling district cooling plants to ensure that infrastructure readiness keeps pace with demand, reinforcing our role as a long-term utility partner to Dubai's thriving real estate sector.

EMPOWER's contribution to the global district cooling sector continues to receive international acclaim. Our commitment to excellence was reaffirmed this year when we were honoured to receive the prestigious IDEA Space Award and Innovation Award, from International District Energy Association, a testament to our specialised industry leadership. Furthermore, our active collaboration with the United Nations Environment Programme (UNEP) and its Cool Coalition initiative underscores our role in the global effort to decarbonise the cooling sector. Through these partnerships, we are helping to position the UAE's expertise in district energy as a global benchmark for sustainable resource management.

Financially, the Company continued to demonstrate resilience and disciplined value creation. We closed the year with record total revenues of AED 3.42 billion, underpinned by consistent momentum throughout the year. Net profit after tax crossed the AED 1 billion milestone, while EBITDA increased to AED 1.65 billion, reflecting our ability to sustain healthy margins through operational efficiency. In line with our commitment to delivering sustainable returns, we distributed AED 875 million in dividends, underscoring our disciplined capital allocation and the inherent stability of our utility-based business model.

We match our leadership in environmental stewardship with an equally strong commitment to our people and society. During the year, we reinforced our contribution to national development by maintaining a high level of Emiratisation within our workforce. We also remained an active and responsible community partner, investing more than AED 748,000 in targeted social impact initiatives and events, supporting long-term societal well-being.

On behalf of the Board, I extend my sincere gratitude to the visionary leadership of the UAE for their continued guidance and support. I also wish to thank our Chief Executive Officer, H.E. Ahmad bin Shafar, for his highly skilled stewardship, and our employees for their professionalism and dedication. Finally, I thank our shareholders for their enduring trust as we continue to build a more sustainable and prosperous future for us and generations to come.

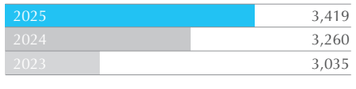
Thank You,

H.E. Saeed Mohammed Al Tayer
Chairman
Emirates Central Cooling Systems Corporation PJSC (EMPOWER)

1.66 million RT

Total Connected Cooling Capacity (2025)
+5.6% 3-Year CAGR | Scalable, network-based urban infrastructure growth

Revenue growth (2023-2025)
(AED million)



CEO's message for the fiscal year 2025

> Our future growth remains materially de-risked through our total contracted capacity, which reached 1.94 million RT following the signing of 163 new long-term agreements in 2025 alone.

Dear Stakeholders,

FY2025 has been a year of disciplined execution and strategic momentum for EMPOWER. As the world's largest district cooling services provider by connected capacity, we have not merely maintained leadership, we have advanced it. Our scale, infrastructure depth and operating precision continue to position EMPOWER at the centre of Dubai's sustainable urban evolution.

In an environment where infrastructure assets are increasingly judged on durability, efficiency and long-term value creation, our model has demonstrated structural strength. The year's performance reflects the inherent resilience of our regulated utility platform, underpinned by long-term concession agreements and predictable annuity-style cash flows. These fundamentals enable us to compound value steadily while maintaining operational excellence across an expanding asset base.

Financial stewardship

Our financial results for FY2025 demonstrate sustained operating efficiency and prudent cost management. For the full year, our revenue grew to AED 3.42 billion, marking a record increase of 4.9% from the previous year. EBITDA rose 6.3% to AED 1.65 billion, reflecting our ability to derive more economic value from our existing asset base. Despite the introduction of corporate taxation and a globally elevated interest rate environment, net profit after tax remained robust at AED 1,004 million. We maintained our commitment to shareholder returns through a total dividend distribution of AED 875 million, supported by a healthy operational cash flow generation of AED 1.86 billion. We further strengthened our balance sheet with total assets reaching AED 11.82 billion, while achieving low leverage ratio of 1.9x Net Debt/EBITDA, providing a sufficient headroom for growth opportunities.

> The year's performance reflects the inherent resilience of our regulated utility platform, underpinned by long-term concession agreements and predictable annuity-style cash flows.

Market drivers

EMPOWER's growth is fundamentally linked to the exceptional momentum of Dubai's economy, which recorded GDP growth of around 3.5%+ during the year. The emirate's residential real estate market generated AED 140.87 billion in transactions in the final quarter alone, while the population crossed the 4.02 million milestone. Furthermore, Dubai's tourism sector welcomed over 17.55 million overnight visitors, and Dubai International Airport maintained its status as the world's busiest international hub with 94 million passengers. These strong macroeconomic indicators, provide a stable foundation for the sustained demand for energy-efficient district cooling across Dubai's high-density clusters.

> While we continue to integrate advanced technologies across our network, a successful machine learning pilot at the Za'abeel plant provided valuable insights into future energy-saving potential.

Scaling with Dubai

We have reached a significant milestone in our operational journey, with our connected capacity growing by more than 90,000 refrigeration tons (RT) to reach a landmark 1.66 million RT by the end of 2025. This expansion ensures we now serve a mature footprint of 1,747 buildings across the emirate. Our future growth remains materially de-risked through our total contracted capacity, which reached 1.94 million RT, following the signing of 163 new long-term agreements in 2025 alone. Demand for our services accelerated in line with Dubai 2040 Urban Master Plan, and we demonstrated disciplined execution in converting our pipeline capacity into connected, revenue-generating service.

During the year, we successfully commissioned the Deira Waterfront permanent plant with a capacity of 39,000 RT, which now provides sustainable cooling to over 46 buildings. We secured landmark agreements for iconic developments including The Island (Wasl Group) with 23,853 RT, Uptown Dubai (DMCC) with 24,675 RT, and the Palm Gateway project. We also commenced supply to the first phase of Al Habtoor Tower and are currently contracted to supply six of the ten tallest skyscrapers under construction in Dubai. To meet this rising demand, we advanced critical infrastructure investments, including the design of a new 47,000 RT plant at Dubai Science Park, the start of construction for a 23,400 RT plant in Al Sufouh 2, and the awarding of a second 39,000 RT plant in Jumeirah Village.

Efficiency and sustainability

Beyond physical expansion, we prioritised intelligence-led utility stewardship to extract incremental efficiency. While we continue to integrate advanced technologies across our network, a successful machine learning pilot at the Za'abeel plant provided valuable insights into future energy-saving potential. In 2025, EMPOWER mitigated approximately 1.08 million tonnes of CO_2 annually, supported by disciplined operating performance and continued optimisation across the network. Our sustainability leadership was recognised with the MAJRA Gold Impact Seal, the highest federal honour in the UAE, and our DLRC plant achieved LEED Gold Certification, marking the seventh Gold rating in our portfolio.

Empowering our people

Our workforce remains the foundation of our success. We continued to advance our Emiratisation agenda, with UAE nationals now representing almost one-third of our office staff. Furthermore, Emirati women comprise 61% of our total female workforce, reflecting our commitment to developing national talent for leadership roles in the energy sector.

In closing

We remain anchored in disciplined capital allocation, rigorous operational optimisation and uncompromising system reliability. Across our asset base, technology-led enhancements are translating scale into structural efficiency, reinforcing earnings quality while advancing Dubai's climate-aligned development priorities.

EMPOWER today is not simply a market leader; it represents a global reference point in district cooling infrastructure. Our platform is engineered for durability, designed to perform consistently across cycles and positioned as an essential pillar of the emirate's future-ready urban framework.

As we enter FY2026, we do so from a position of financial strength and strategic clarity, advancing with confidence toward our target of 1.86 million RT connected capacity by 2027 end. I extend my sincere appreciation to our Board of Directors, shareholders, customers and employees for their continued confidence and partnership as we build a resilient, energy-efficient urban ecosystem for the decades ahead.

Best regards,

H.E. Ahmad Bin Shafar
Chief Executive Officer
Emirates Central Cooling Systems Corporation PJSC (EMPOWER)

Value creation model

From strategic pillars to outcome

Core economic and operational infrastructure

Material Issues: 1, 2, 3, 4, 6, 18, 19, 20

Secured revenue visibility through a multi-decade portfolio

Our structural growth is anchored in a Multi-Decade Contracted Portfolio, where long-term concession agreements spanning up to ~25-plus years provide exceptional visibility into our future earnings. By reaching a landmark 1.94 million RT in total contracted capacity in 2025, we have fortified the long-term durability of our returns and secured a predictable engine for future cash flows across our expansive service footprint of 1,747 buildings.

1. Value delivery pillar	2. Inputs	3. Operating context	4. Outputs (2025)	5. Outcomes	GRI & UNSDGs
Financial resilience and capital discipline *(Chapters 6, 10)*	• Robust balance sheet with low leverage **(1.9x Net Debt/ EBITDA).** • High-quality annuity-style cash flows	• **Tailwind:** Dubai's GDP growth of 3.5%–4%. • **Headwind:** Implementation of 9% UAE Corporate Tax.	• **Revenue: AED 3.42 billion** (+4.9% YoY). • **Dividends: AED 875 million** distributed.	• Sustained shareholder returns despite tax. • Valuation secured by cash-flow durability.	***GRI 201; 203;***
Scalable infrastructure and network density *(Chapters 4, 7, 10)*	• Network of **90 plants** and **430+ km** of pipelines. • Sequenced capital deployment strategy.	• **Tailwind:** D33 Agenda doubling GDP and vertical expansion. • **Headwind:** Rising structural construction and equipment costs.	• Connected Capacity: **1.66 Million RT.** • Buildings Served: **1,747**.	• Market leadership . • Anchored Dubai's sustainable urban evolution.	***GRI 203;***
Intelligence-led innovation (4IR) *(Chapters 9, 16)*	• State-of-the-art Command Control Centre **(CCC)**. • Proprietary **ML algorithms** for plant optimisation.	• **Tailwind:** Global shift toward AI-driven energy efficiency. • **Headwind:** Evolving cybersecurity and OT resilience risks.	• Operating Efficiency: Continued optimisation across the plant network. • Energy Savings	• Decoupled business growth from energy intensity. • **IDEA 2025 Innovation Award** recognition.	***GRI 302;***

Responsibility, stewardship, and trust

Material Issues: 9, 10, 11, 12, 16, 17, 24

Accelerating the decarbonisation dividend through resource circularity

By institutionalising intelligence-led utility management, we have successfully decoupled our network expansion from energy intensity, mitigating 1.08 million tonnes of CO_2 in 2025. This systemic decarbonisation is supported by disciplined plant optimisation and a strong commitment to water security, including the expansion of Reverse Osmosis capacity to 24,969 m³/day. As we align our growth with the UAE Net Zero 2050 strategy, our transition to a low-carbon operating model ensures that EMPOWER remains the primary district cooling anchor for the emirate's sustainable urban prosperity.

1. Value delivery pillar	2. Inputs	3. Operating context	4. Outputs (2025)	5. Outcomes	GRI & UNSDGs
Capability, culture, and safety *(Chapters 17)*	• Workforce of **1,054 colleagues.** • Dedicated **Emirati leadership pathways.**	• **Tailwind:** National Emiratisation mandates. • **Headwind:** Competition for district cooling technical talent.	• **7.52 Million man-hours** • **555 employees** upskilled • **31.27%** Emiratisation.	• Mature safety culture safeguarding human excellence. • **61% of total female workforce** are Emirati women	***GRI 403; 404; 405;***
Decarbonisation and resource stewardship *(Chapters 16, 23)*	• Integration of TSE and **Reverse Osmosis (RO)** tech. • Thermal Energy Storage **(TES)** systems.	• **Tailwind:** Alignment with **UAE Net Zero 2050.** • **Headwind:** Supply disruptions from extreme rainfall events.	• **1.08 Million tonnes CO_2** mitigated annually. • RO Capacity added: **3,610 m³/day.**	• Systemic decarbonisation dividend for the emirate. • Reduced freshwater reliance despite scaling.	***GRI 302; 303; 305;***
Stakeholder trust and digital connectivity *(Chapters 13)*	• Feature-packed **EMPOWER Mobile App** launched April 2025 • Global benchmarking with **ASHRAE**.	• **Tailwind:** Customer demand for frictionless digital billing. • **Headwind:** Heightened **data privacy** and governance requirements.	• **979,051 digital payments** processed. • Reached **75% digital adoption** penetration.	• Improved operating scalability via manual friction reduction. • Secured federal **MAJRA Gold Impact Seal.**	***GRI 2; 418;***

01.
Strategic review

Optimising the future requires translating structural demand into disciplined execution. This section reviews our 2025 financial performance and operational excellence, demonstrating how our resilient infrastructure delivers the predictable, recurring revenue streams and risk-managed growth that define our core investment case.

Strategy

Who we are

Institutional foundations of a global district cooling leader

Primary SDGs	Reinforcing SDGs	Reporting standards
11 SUSTAINABLE CITIES AND COMMUNITIES; 7 AFFORDABLE AND CLEAN ENERGY	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 13 CLIMATE ACTION	*GRI 203*

Purpose and establishment

Emirates Central Cooling Systems Corporation PJSC (EMPOWER) was established on 23 November 2003 by Royal Decree as a joint venture between the Dubai Electricity and Water Authority (DEWA) and the Free Zone Authority. The Company transitioned into a public joint stock Company in October 2022 and was officially listed on the Dubai Financial Market (DFM) on 15 November 2022.

Our 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.

Our vision

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

Reporting and Framework Alignment:

This section is meticulously structured to articulate EMPOWER's fundamental alignment with the imperatives of sustainable cities, energy efficiency, and proactive climate action. Far more than a static repository of environmental metrics, this narrative provides a strategic view of how our business model is anchored in the synergy between UN Sustainable Development Goal ***SDG 11***: Sustainable Cities and Communities and ***SDG 7***: Affordable and Clean Energy. These pillars reflect the Company's critical contribution to urban resilience and demand-side management at scale, delivering a 50% reduction in electricity consumption compared to traditional cooling methods.

This strategic architecture is further reinforced by ***SDG 9***: Industry, Innovation, and Infrastructure and ***SDG 13***: Climate Action, which capture the technology-intensive nature of our district cooling model. By integrating advanced machine learning and AI-driven predictive cooling, EMPOWER ensures that its infrastructure expansion remains perfectly synchronised with the UAE Net Zero 2050 strategy and long-term global decarbonisation objectives.

From a reporting standards perspective, this section is aligned principally with ***GRI 203***: Indirect Economic Impacts, focusing on how EMPOWER's infrastructure underpins economic activity, urban expansion, and system-level efficiency across Dubai. Detailed operational, energy, and emissions performance indicators are intentionally addressed in the Environment and Climate chapters, allowing this section to concentrate on strategic relevance, system scale, and urban necessity, rather than compliance-driven disclosure.

District cooling role

Enabler of urban sustainability

District cooling is a sophisticated, large-scale utility framework that serves as a superior alternative to conventional air conditioning systems. By centralising the production and distribution of chilled water, this technology achieves significant economies of scale and reduces electricity consumption by up to 50% compared to traditional methods. In the Middle East, where space cooling accounts for nearly 70% of building energy demand, this technology serves as a critical pillar for energy efficiency, climate action, and urban resilience, effectively supporting large-scale demand-side management and alleviating strain on the national electrical grid.

Pillar of demand side management

EMPOWER plays a pivotal role in supporting the Dubai Demand Side Management (DSM) Strategy, which identifies high-efficiency cooling as a cornerstone of the emirate's sustainable urban development. As a silent pillar of Dubai's comfort, resilience, and economic growth, the Company's district cooling infrastructure facilitates continued vertical and commercial expansion without a proportional surge in electricity demand. Structurally, EMPOWER advances DSM objectives by integrating advanced technologies, reducing peak load pressure on the grid, and enabling intelligent load optimisation across the city's built environment.

During 2025, our systems continued to operate with significantly lower electrical intensity than conventional air-conditioning, reinforcing EMPOWER's role in supporting Dubai's demand-side management and long-term energy sustainability. This performance directly supports the Dubai Demand Side Management (DSM) Strategy's objective to reduce energy consumption by 30% by 2030 and 50% by 2050.

Efficiency gains were further bolstered by the expanded rollout of artificial intelligence and machine-learning tools, which optimised chiller performance and enhanced plant operations. Additionally, peak demand pressures were mitigated through the strategic deployment of Thermal Energy Storage (TES) systems, enabling critical load shifting during summer periods. By replacing inefficient standalone units with a denser district cooling network, we delivered substantial system-wide benefits, including avoided carbon emissions of approximately 1,076,985 tonnes of CO_2e. Collectively, these outcomes position EMPOWER as a primary DSM enabler, supporting Dubai's urban growth while safeguarding long-term energy sustainability.

Who we are

System scale

EMPOWER is recognised as the **world's largest district cooling services provider** by connected capacity. EMPOWER's commanding leadership position is supported by a robust business model that includes long-term exclusivity agreements with major developers, ensuring stable and recurring service delivery across the city's most vital districts.

Infrastructure and network density

An extensive network of physical assets and distribution infrastructure defines the Company's system scale. As of the end of 2025, EMPOWER's operations included:

90 plant rooms

District cooling plants
A network of **90 plant rooms** (including permanent and semi-permanent facilities) strategically located to serve high-density urban areas.

430+ kilometres

Pipeline network
A total distribution pipeline network extending over **430 kilometres** throughout Dubai, utilising environmentally responsible and durable insulating materials.

1.66 million RT

Connected capacity
A total connected capacity that has reached **1.66 million refrigeration tons (RT)**.

1,747

Buildings served
The total number of buildings connected to EMPOWER's services has grown to **1,747**, covering residential, commercial, hospitality, healthcare and other sectors.

156,000

Customer base
A diverse base of **156,000** corporate and individual customers

Integrated subsidiaries

EMPOWER Insulated Pipe Systems (ELIPS)

ELIPS is a wholly owned subsidiary of EMPOWER and the UAE's leading provider of insulated pipes and innovative thermal solutions. Located in the Jebel Ali Industrial area, the factory spans nearly one million square feet. It utilises state-of-the-art robotics to produce pipes for district cooling, oil and gas, and solar energy sectors. This backward integration enables EMPOWER to control its supply chain better and ensure high-quality standards across its distribution network.

Specialised Consultancy And Management

To maintain its comprehensive operating model, EMPOWER operates other specialised subsidiaries:

EMPOWER Facility Management (FM)
Handles installation of air conditioning, ventilation and purification systems, as well as repairs and maintenance.

EMPOWER Engineering & Consultancy (ECC)
Provides consultancy services for project development.

Who we are

Operating footprint

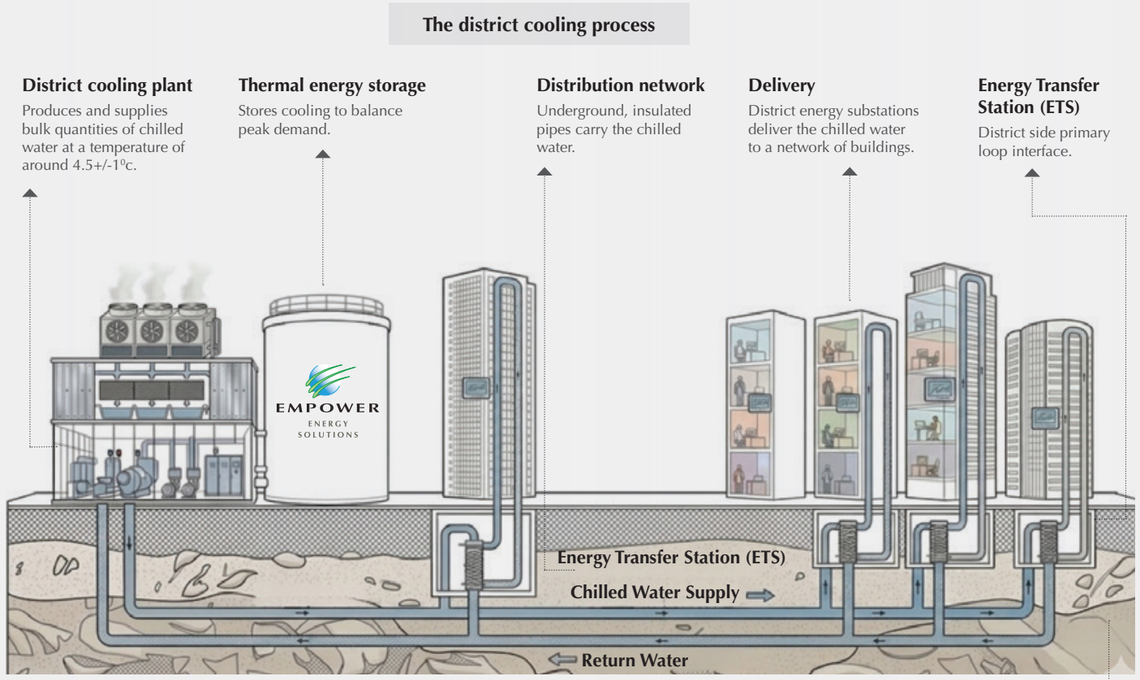
Strategic urban coverage

EMPOWER's footprint is embedded in the fabric of Dubai's most illustrious locations and prestigious residential and commercial destinations. The Company is the exclusive cooling services provider for major master developments, providing a secure foundation for the city's commercial and financial hubs. The operating footprint is characterised by proximity to demand-side customers, ensuring high-quality service and around-the-clock availability with 99.94% reliability.

Regional and international influence

While its primary operations are focused on Dubai, EMPOWER's influence extends globally through its role as a Champion City for district cooling and its active participation in international energy dialogues. The Company collaborates with international agencies such as UNEP and shares its pioneering experience with high-level global delegations. It also works with international organisations to develop unified global standards for the industry and to invent the next-gen district cooling technologies.

Operational components



The district cooling process: The Company's end-to-end operating model covers the entire value chain, from design and development to maintenance and customer support. The process consists of three primary components:

1. **District Cooling Plant (DCP):** High-efficiency chillers, cooling towers, and pumps produce chilled water at approximately 4.5°C.
2. **Distribution Network (DCDN):** An underground insulated supply and return pipeline system that moves the chilled water between the plant and the buildings.
3. **Energy Transfer Station (ETS):** Located inside each building, this station uses plate heat exchangers to transfer the cooling energy from the network to the building's internal air conditioning system.

System resilience and technology

Operational excellence is supported by advanced technological integration. The Company utilises a state-of-the-art Command Control Centre (CCC) for 24/7 real-time monitoring and remote operation of its plants. This is reinforced by a Parallel Work Environment (PWE) system that acts as a redundant operation centre to ensure business continuity and uninterrupted service under all circumstances.

Who we are

Sector distribution

EMPOWER maintains a resilient and well-diversified service footprint, delivering high-efficiency cooling solutions across the emirate's most critical economic sectors. Our growth is fundamentally synchronised with the expansion of Dubai's building portfolio; as the real estate sector achieves new milestones in vertical development, our network density increases proportionally to meet this demand.

By the end of 2025, our service coverage reached 1,747 buildings, representing a diverse mix of residential, commercial, hospitality, and healthcare assets.

While our technical operations are managed according to refrigeration ton (RT) load requirements, our market leadership is best illustrated by the breadth of our building connections. This approach ensures that our revenue base remains insulated from sector-specific fluctuations, providing long-term visibility and supporting our annuity-style cash flows.

~22%

of Dubai's hotels and hotel apartments supplied with EMPOWER's energy-efficient cooling solutions, supporting guest comfort with lower energy intensity at scale.

Iconic portfolio

EMPOWER's district cooling system supports some of the world's most famous landmarks and architectural wonders. Its portfolio includes high-density clusters and ultra-high-rise skyscrapers that define Dubai's skyline. Key projects served include:

Al Habtoor Tower

Recognised as the world's largest residential icon, this landmark development is being connected to the EMPOWER network with an ultimate capacity of 7,200 RT.

One Za'abeel

Empower keeps One Za'abeel cool through efficient district cooling, delivering reliable, sustainable comfort to this iconic Dubai destination.

Burj Al Arab, Jumeirah Beach Hotel & Marsa Al Arab

These premier hospitality icons are served by the state-of-the-art Jumeirah Beach Hills (JBH) plant, designed with a planned total capacity of 48,000 RT to cater to Dubai's most prestigious tourist destinations.

Museum of the Future

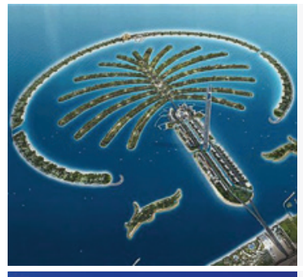
Supporting the sustainability mandate of what is internationally regarded as the most beautiful building on earth.

Emirates Towers

Providing high-reliability district cooling to the iconic twin skyscrapers that have long symbolised the emirate's visionary urban planning.

Business Bay

A record-breaking project that holds two Guinness World Records for the highest capacity district cooling plant and the largest cooling plant coverage by the number of buildings.



Palm Jumeirah

Providing energy-efficient cooling to the world's largest man-made island, a high-density destination comprising luxury residential and commercial assets.

DIFC

EMPOWER serves as the silent pillar of Dubai's financial district, cooling the heart of the region's financial markets with a capacity of 90,000 RT.

Atlantis The Royal

A cornerstone of the Palm Jumeirah hospitality portfolio, this global landmark relies on EMPOWER's reliable cooling solutions to maintain its ultra-luxury guest experience.

Dubai International Airport

The sole and primary provider for one of the world's busiest aviation hubs, managing a critical site capacity of 110,000 RT following a landmark AED 1.1 billion asset acquisition.

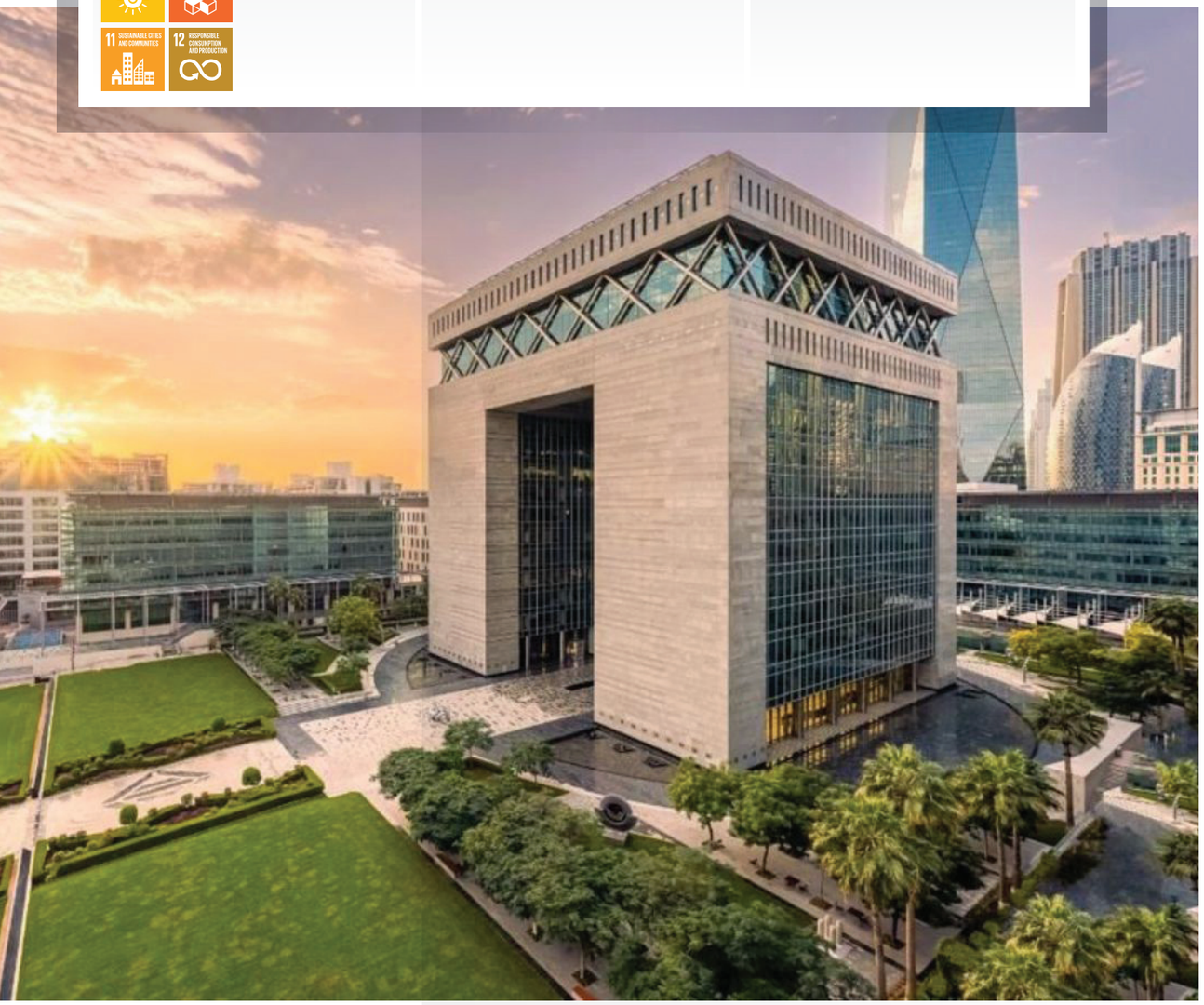
Wasl Tower

An iconic 302-metre twisted skyscraper featuring the world's tallest ceramic façade, connected with a total capacity of 3,900 RT.

Investment thesis

Why EMPOWER: the investment proposition

Primary SDGs	Material Issues	GRI standards
7 AFFORDABLE AND CLEAN ENERGY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	*1, 2, 3, 4, 6*	*GRI 201; GRI 203; GRI 302; GRI 305; GRI 2*



EMPOWER's investment proposition is defined by the convergence of continued scale expansion and rising operational efficiency. The Company is simultaneously extending its infrastructure footprint while embedding intelligence-led optimisation across its operating base, allowing growth and efficiency to reinforce each other rather than compete for capital. This dual-track strategy underpins an equity story anchored in the durability of annuity-style cash flows, large-scale leadership within the emirate, and a business model in which sustainability enhances margin quality and long-term return stability.

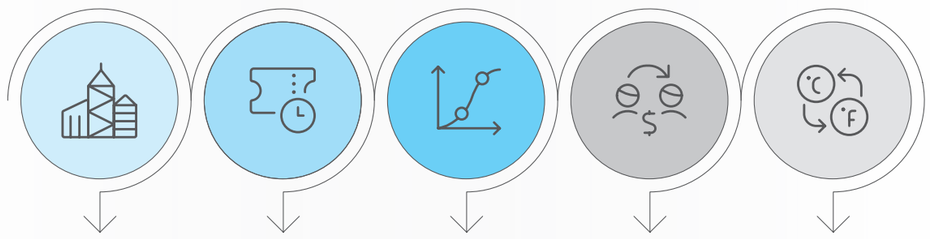
At its core, EMPOWER represents a long-duration infrastructure platform where scale, contractual certainty, and system-level efficiency converge to deliver predictable value creation across cycles.

A Scaled, Efficient Utility Compounder

EMPOWER represents a core utility compounder offering institutional investors exposure to Dubai's growth through a low-volatility, long-duration utility platform.

The investment case is characterised by:

EMPOWER investment thesis



Large-scale urban utility
Highest market share in Dubai.

Long-duration contracted revenues
Secured through multi-decade concession agreements.

Structurally resilient margins
Supported by intelligence-led optimisation and scale economics.

Disciplined capital allocation
Distributed AED 875 million in dividends for 2025.

Predictable, annuity-style cash flows
underpin sustained shareholder value creation.

EMPOWER remains a foundational infrastructure asset, positioned to continue extracting incremental economic and environmental value from its scaled asset base while supporting the emirate's long-term urban and sustainability objectives.

Investment thesis

EMPOWER's expansion is deeply integrated into Dubai's long-term urban planning, underpinned by market-scale leadership, contracted demand, and alignment with the emirate's Net Zero objectives. Long-tenor concession frameworks translate this visibility into stable, recurring cash generation, while data-driven efficiency and environmental performance strengthen margin resilience over time. Collectively, these factors position EMPOWER as a durable utility platform with predictable returns and limited sensitivity to economic cycles.

A scaled leader embedded in Dubai's growth

EMPOWER owns and operates the world's largest district cooling platform, embedded at the urban system level within Dubai's long-term vertical expansion model. This leadership position is underpinned by a connected capacity of 1.66 million RT by the end of 2025, serving a mature footprint of 1,747 buildings, reflecting both scale and operational maturity.

Demand visibility is supported by structural characteristics unique to the market:

- **Structural Demand Certainty:** In the regional climate, cooling is a non-discretionary utility. District cooling is intrinsically aligned with the emirate's master-planned development framework, in which long-term infrastructure decisions are integrated into urban design early.
- **Forward Capacity Indicators:** Future growth is materially de-risked through 1.94 million RT in contracted capacity, supported by the execution of 163 new long-term agreements during 2025.
- **Policy Alignment:** EMPOWER functions as a critical infrastructure partner to Dubai's carbon reduction targets, with district cooling serving as an enabling pathway for lower-carbon urban growth and ensuring that capacity expansion remains synchronised with the emirate's long-term decarbonisation priorities.

Taken together, these factors position EMPOWER's growth as structurally embedded rather than cyclically exposed.

Contractual durability and annuity-style cash flows

EMPOWER's financial architecture is designed to prioritise continuity, predictability, and resilience. Revenue generation is governed by long-term concession frameworks that translate contracted demand into stable, multi-decade cash flows, limiting exposure to volume volatility once assets are connected.

This contractual durability is evident in the Company's 2025 performance:

- **Revenue Resilience:** For 2025, EMPOWER reported AED 3.42 billion in revenue, up by 4.9% YoY, reflecting consistent organic growth alongside the commissioning of strategic assets such as the Deira Waterfront plant.
- **Margin Protection:** EBITDA of AED 1.65 billion for 2025 demonstrates the ability to preserve margin quality while operating at scale.
- **Capital Visibility:** Capital deployment remains closely aligned with contracted demand, ensuring that incremental capacity additions contribute directly to the stability of annuity-style cash flows rather than introducing speculative risk.

This model reinforces EMPOWER's positioning as a cash flow compounder rather than a volume-driven utility.

1.94 million RT

Contracted capacity
Multi-year revenue visibility secured through long-term agreements

1.66 million RT

Connected capacity
System-level scale embedded within Dubai's urban infrastructure

Sustainability as an economic advantage

Within EMPOWER's operating philosophy, sustainability functions as a structural economic lever rather than a compliance obligation. By replacing decentralised, high-emission cooling systems with high-density district cooling, the Company delivers around ~50% reduction in electricity consumption relative to conventional alternatives.

This efficiency underpins long-term tariff competitiveness and margin durability:

- **Intelligence-Led Stewardship:** In 2025, EMPOWER reported electrical efficiency supported by disciplined operational optimisation and adherence to internal benchmarks.
- **Engineered Savings:** Technology-enabled interventions are expected to deliver approximately 8% in annual energy savings, directly supporting cost-to-serve discipline and operating leverage.
- **National Decarbonisation Alignment:** With 1.08 million tonnes of CO_2 mitigated annually, EMPOWER's operating model is aligned with the UAE Net Zero 2050 strategy, reinforcing its role as a long-term infrastructure partner in the country's decarbonisation pathway.

Environmental performance, in this context, directly supports economic efficiency and long-term asset relevance.

Operating environment

What is driving demand, and what it means for our network

GRI 2, GRI 3, GRI 201, GRI 203, GRI 302, GRI 305.

Macroeconomic momentum, climate intensity, policy direction and urban density are reinforcing district cooling as essential city infrastructure

The market for district cooling is shaped by the overlap of three forces: economic capacity to invest, climatic pressure that makes efficient cooling a system necessity, and the pace and form of urban development. In the UAE, these forces are further reinforced by policy direction that explicitly positions district cooling as a tool for managing electricity demand and supporting the energy transition. Against this backdrop, our role is to convert long-duration demand in dense urban districts into reliable service outcomes, while continuously improving the scale and efficiency of the cooling we deliver.

	Global and regional economic resilience	Climatic intensity and rising temperatures	Urban density and real estate pipelines	Policy frameworks and the energy transition	Technological and digital innovation	Financial stability and annuity-style cash flows
Context	Global GDP growth is projected to stabilise at 3.2% in 2025 (and 3.1% in 2026), while the UAE is estimated to outperform with 3.5%+ GDP growth in 2025. Global energy investment reached USD 3.3 trillion in 2025, with USD 2.2 trillion directed to clean energy and grid modernisation.	Global warming trends are intensifying. After 2024 became the warmest year on record, 2025 is expected to continue this trajectory of rising temperatures. Increasing heat is driving higher cooling demand, elevating cooling from a comfort service to a critical urban requirement.	District cooling is most effective in dense, high-rise environments. The UAE has an infrastructure pipeline exceeding USD 1 trillion. Dubai's population reached 4.0 million in 2025, with the Dubai 2040 Urban Master Plan targeting 5.8 million.	The operating environment is shaped by national and emirate-level mandates, including UAE Net Zero 2050 and Dubai Demand Side Management (DSM) Strategy 2030, which targets 40% district cooling penetration by 2030 and positions district cooling as contributing ~13% of total electricity savings.	Utilities are increasingly deploying AI and machine learning to optimise performance, protect margins and improve cost-to-serve. The operating model emphasises real-time optimisation and predictive maintenance through centralised control (CCC).	The sector is supported by long-term concession-style arrangements with master developers, which convert city growth into contracted, recurring revenues and reduce exposure to cyclical volatility.
How it impacts EMPOWER	Strong UAE growth and continued investment in energy efficiency support long-life infrastructure investment and expand the pool of bankable developments suited to district cooling. This underpins contracted capacity build-up and disciplined expansion into strategically important districts.	Higher ambient temperatures increase peak-load stress and make energy-efficient cooling a system requirement. This heightens the value of high-reliability operations and efficiency-led cooling supply, and increases the importance of demand-side campaigns that influence end-user behaviour.	Population growth and master-planned vertical development continue to expand the addressable market for new connections and phased plant capacity additions. Demand evolves in line with areas of rising density and the delivery of new mixed-use districts.	Policy creates an enabling environment by formalising district cooling's role in energy savings and decarbonisation. This strengthens the investment case for district cooling networks and raises expectations for measurable efficiency outcomes and alignment with national goals.	Digital optimisation becomes a core operating discipline: improving plant performance, reducing downtime risk, and enabling remote operations and predictive maintenance. Technology also expands the customer interface and service responsiveness.	Exclusive and long-term service agreements translate development momentum into predictable cash flows, supporting resilience across cycles and linking environmental performance to long-term shareholder value.
How we respond	We continue to expand our project portfolio in line with demand density and developer momentum, including signing new capacity and adding connected load. In 2025, we signed 163 new contracts to supply over 170,000 RT, taking total contracted capacity to 1.94 million RT, and total connected capacity to over 1.66 million RT following the addition of more than 90,000 RT.	We position district cooling as a strategic, energy-efficient response to rising climate intensity, supported by disciplined stakeholder engagement. Our 12th annual "Set and Save at 24°C" campaign achieved record participation, optimising seasonal demand across nearly 156,000 customers. Internationally, we showcased two decades of operational excellence at IDEA 2025 and LAC 2025, earning recognition for innovation and scale. This leadership extends through our collaboration with the United Nations Environment Programme, where we act as Special Advisor to the "District Energy in Cities" initiative and partner in the "Cool Coalition," advancing sustainable urban infrastructure globally.	We align capacity expansion and district cooling infrastructure development with Dubai's designated growth corridors and the requirements of high-density urban clusters. In 2025, we commissioned the Deira Waterfront district cooling plant with a total capacity of 39,000 RT; announced a new 23,400 RT plant in Al Sufouh 2; awarded the construction contract for a second plant in Jumeirah Village with an estimated capacity of 37,000 RT; and awarded the design contract for a new 47,000 RT facility at Dubai Science Park.	EMPOWER strategically aligns its solutions and capital deployment with the UAE Net Zero 2050 Strategy and the Dubai Clean Energy Strategy 2050, serving as the primary infrastructure anchor for the emirate's transition to a green economy. Our district cooling model delivers a systemic "decarbonisation dividend," achieving electricity savings of up to 50% compared to conventional cooling methods. In 2025, this operational maturity was reflected in electrical efficiency that remained ahead of internal targets, alongside the prestigious LEED Gold certification awarded to our DLRC plant. Furthermore, our strategic sponsorship and leadership at national platforms like WETEX 2025 reinforce EMPOWER's pivotal role in driving the national energy conservation agenda and securing long-term urban resilience.	We embed digitalisation into operations and maintenance through centralised control and optimisation. Our pilot exercise of plant optimisation using machine learning has been externally recognised (including an Innovation Award Honourable Mention for district cooling plant optimisation using machine learning), and we continue to enhance customer experience through digital channels, including the launch of our mobile application in April 2025.	We continue to prioritise long-term relationships with master developers and exclusive service arrangements that convert the city's growth into contracted revenues. This model supports investment discipline and resilience, while maintaining a clear link between reliable service delivery, efficiency outcomes and long-term value creation.

EMPOWER's business model

Infrastructure, technology, and predictable returns

A fully integrated district cooling business model

EMPOWER operates a fully integrated, end-to-end district cooling services business, covering the entire value chain from system design and asset development through to plant operation, maintenance, management and customer service. The business model is designed to deliver reliable, cost-efficient and sustainable cooling solutions at scale, supported by long-term demand fundamentals and technology-enabled operations.

By combining engineering expertise, digital optimisation and disciplined capital deployment, EMPOWER enables large-scale urban developments to improve energy efficiency, reduce carbon emissions and support sustainable urban growth, while creating long-term value for shareholders, customers and other stakeholders.

For every unit of financial input invested, we reduce the impact on our environment by saving 50% more energy than traditional systems, and we multiply social impact by enabling Dubai's most iconic landmarks to grow without increasing their carbon footprint.

How the business model works

Our model is built on three interconnected layers that drive resilience and predictable service delivery:

Relationships

We serve a diverse customer base across residential, commercial, hospitality, mixed-use and specialised asset developments. Long-term agreements with developers, building owners and end-users underpin stable demand and predictable revenues, primarily generated through consumption-based and capacity-linked charges.

Operations

We enhance operational efficiency and service quality through smart metering, digital control systems and AI-enabled monitoring. These technologies enable real-time performance optimisation, predictive maintenance and responsive system management across our cooling network.

Infrastructure

We design, build, own, operate and maintain district cooling plants and distribution pipe network. These long-life assets underpin our business model and are developed through phased, modular investments aligned with urban growth. We manage performance across the full asset lifecycle to ensure resilience, reliability and predictable service delivery.

Core strengths and resources

- Fully integrated, end-to-end district cooling operating model
- Extensive cooling plants and distribution networks
- Strong engineering, technical and operational expertise
- Advanced digital monitoring and optimisation platforms
- Long-term customer contracts and relationships
- Strategic partnerships with developers, and financial stakeholders

Service offerings

EMPOWER provides comprehensive district cooling services across large-scale urban developments, delivering reliable, cost-efficient and environmentally responsible cooling solutions.

The scope of our core services include:

- Design, build and operation of district cooling plants
- Distribution of chilled water through integrated pipe network
- Continuous system monitoring through centralised Command Control Centre ensuring redundancy, optimisation and customer support

Governance and oversight

The business model is governed through a defined corporate framework that aligns strategic objectives, operational performance, risk management and sustainability commitments.

Oversight by the Board and executive management ensures disciplined capital allocation, operational excellence and accountability, supporting long-term value creation.

Long-term value creation

Through this integrated business model, EMPOWER supports:

- scalable and resilient revenue growth;
- efficient deployment and optimisation of long-life assets;
- improved energy efficiency and reduced environmental impact; and
- sustainable value creation over the short, medium and long term.

EMPOWER investment thesis

Strategic pillars

Our direction reflected in our actions

Our strategy is shaped by a defined set of objectives that guide how we plan, invest and operate across our district cooling platform. These objectives provide a clear framework for decision-making, ensuring alignment between our long-term growth ambitions, operational performance, sustainability priorities and stakeholder expectations.

Each objective is supported by focused initiatives, disciplined execution, and measurable performance indicators, enabling progress to be consistently tracked across the organisation. During the year, we advanced several projects and operational programmes that strengthened infrastructure resilience, expanded capacity, enhanced efficiency and deepened customer and stakeholder relationships.

The delivery of these outcomes reflects the collective efforts of our workforce and our continued investment in the skills, systems and technologies required to operate a utility at scale. As demand for district cooling grows, we selectively develop and expand infrastructure to meet customer requirements, while keeping reliability, efficiency and cost discipline at the centre of execution. This section outlines the strategic objectives that guide our approach and highlights how delivery during the year has strengthened long-term value creation for shareholders and other stakeholders.

Strategic objective	What this means to stakeholders	Execution highlights (2025)	Key metrics
1. Enable scalable and resilient growth	This objective focuses on expanding EMPOWER's infrastructure and service reach to keep pace with Dubai's rapid urban development and real estate demand. It ensures business stability by securing long-term contractual agreements and increasing capacity through new connections and strategic acquisitions.	• Total connected capacity increased and reached about **1.66 million RT** in 2025. • Customer base expanded to ~**156,000**, and the number of buildings served reached **1,747**. • Signed **163** new contracts in 2025, adding **171,696 RT** to the total contracted capacity. • Landmark agreements for The Island (**23,853 RT**), the Palm Gateway (**9,470 RT**) and Uptown Dubai Phase 2 (**24,675 RT**).	Revenue; Revenue capacity (RT); Capex outlay.
2. Achieve operational excellence	Our operational excellence focuses on infrastructure development and centralised oversight through our state-of-the-art Command Control Centre (CCC). Operating 24/7, the CCC utilises AI-driven analytics to optimise performance and cost discipline. This approach extracts maximum value from our 1.66 million RT capacity.	• Commenced operations of the Deira Waterfront plant (**39,000 RT**) and expanded the Pipeline Network (over **430 kms**). • Expanded internal Reverse Osmosis (RO) treatment capacity (**24,969 m³/day**) and total recycled water usage (**9.22%** of requirements). • Renewed group-wide ISO 9001:2015, 14001:2015, and 45001:2018 certifications following independent audits and maintained the upgraded ISO 27001:2022 standard for information security. • Sustained zero fatalities across all operations; however, three Lost Time Injuries (LTIs) were recorded by Empower and a contractor during the period. Delivered **7.52 million** working man-hours, supported by the rigorous execution of **1,857** HSE inspections.	EBITDA; Service reliability; Recycled water usage.
3. Leverage technology and digital optimisation	EMPOWER utilises advanced data-driven systems, such as AI and machine learning, to monitor its network in real-time and perform predictive maintenance on critical equipment. This objective also aims to enhance the user experience by providing customers with smart metering and digital platforms for seamless account management and payments.	• Launched a feature-packed Smartphone app for Android and iOS in April 2025. • Increased digital transactions by customers by **10%**. • Successfully piloted Machine Learning algorithms for plant optimisation at Zabeel DCP, projecting 8% energy savings.	Digitalisation %; Energy efficiency.
4. Deliver sustainable and energy-efficient cooling	This goal represents the Company's commitment to reducing the environmental impact of urban growth by providing cooling that is significantly more energy-efficient than traditional air conditioning (kW usage to produce 1 ton of cooling energy). It prioritises resource conservation and reduces emissions.	• Increased use of TSE in DC operations (RO Capacity expanded). • Improved Energy Efficiency (kW/RT) and increased TSE usage (YoY %). • Mitigated **1,076,985 tonnes** of CO_2 emissions in 2025. • Direct Scope 1 emissions stood at **17,818.4 mtCO$_2$e**, while managing energy-indirect Scope 2 at **1,075,355.7 mtCO$_2$e**, and other indirect Scope 3 at **285,115.5 mtCO$_2$e**; outputs driven by increased operational demand. • Won international awards in the categories 'Total Number of Buildings Committed' & 'Total Building Area Committed' for district cooling services. • Awarded the MAJRA Gold Impact Seal, the highest federal recognition for sustainable practices.	Recycled water usage; CO_2 reduced; Electrical efficiency.
5. Strengthen customer and stakeholder relationships	EMPOWER seeks to build deep partnerships and trust with master developers, building owners, and individual residents to ensure high levels of satisfaction. By focusing on service quality and transparent communication, the Company secures a stable base of demand that supports the sustainable development of the entire community.	• Achieved **97.26%** Customer Happiness Index. • **46,876** applications for No Objection Certificates (NOCs) in 2025 (10% increase) to facilitate business processes and boost efficiency. • Executed **27** CSR initiatives and invested in targeted social impact events that delivered a total financial and in-kind community value of **AED 748,441**.	Complaint resolution; Digitalisation rate; Emiratisation %.

Operational & financial overview

Converting operational maturity into annuity-style durability

UN SDGs aligned:

GRI Alignment

GRI 2; GRI 201; GRI 203; GRI 302; GRI 303; GRI 403; GRI 404; GRI 405; GRI 418

As a global champion in district energy for more than two decades, EMPOWER has established a track record of exponential growth, increasing its cooling capacity by around ~315 times since its inception. Today, EMPOWER is a primary utility anchor at the heart of Dubai's built environment, providing the high-efficiency cooling infrastructure essential for sustaining the emirate's vertical expansion and robust real estate momentum.

In 2025, the Company once again demonstrated the resilience of its building-centric growth model, reaching a connected capacity milestone of 1.66 million refrigeration tons (RT) across 1,747 buildings. This scale is supported by an operating framework that converts long-term contracted demand into consistent service continuity and disciplined margin protection. By institutionalising intelligence-led efficiency through the integration of artificial intelligence and machine learning, EMPOWER ensures its expanded asset base delivers peak performance and energy savings, all while maintaining an evolved safety culture that safeguards its human and operational excellence.

The year's performance stands as clear testimony that EMPOWER is not merely expanding its footprint, but is executing with the predictability, resilience, and accountability that global cities, customers, and investors expect from an industry leader.

This has been a year of demonstrable execution at scale, where we protected service continuity and cost discipline, and translated contracted growth into delivered capacity.

Shareholder Outcomes

AED 875 million dividend framework maintained, with AED 437.5 million paid in April and AED 437.5 million in October.

Safety Performance

7.52 million working man-hours and 1,857 HSE inspections.

Digital Servicing

979,051 digital bill payments and 34,976 online registrations processed.

Load Growth

Contracted load reaches 1.94 million RT and connected load reaches 1.66 million RT.

Operational & financial overview

How our performance matched strategy in 2025

In 2025, EMPOWER translated strategy into disciplined execution, demonstrating that scale, efficiency, safety, and growth can be delivered together without compromising reliability or governance. Our performance reflects a disciplined operating model that synchronises demand-led building connections with intelligence-led optimisation. By leveraging our vast building portfolio and annuity-style cash flows, we are extracting higher economic and environmental value from our asset base, ensuring resilient returns and anchoring the emirate's sustainable urban evolution.

Strategic priority	What success looks like	What we achieved in 2025	GRI standards and UN SDGs are aligned	Material issues addressed through our strategic priority
Operate a reliable utility network at scale	Consistent service continuity as footprint expands	Maintained a high service reliability of **99.34%** across a distribution network exceeding **430 km**. Commenced operations of the **Deira Waterfront** permanent district cooling plant, providing sustainable cooling to over **46 buildings.**	***GRI 2; GRI 203;***	2. Physical climate resilience 16. Customer service reliability and continuity 19. Regulatory and concession compliance 20. Risk management and internal controls
Run efficiently and protect delivery economics	Disciplined system-level efficiency and resource stewardship	Advanced the emirate's climate transition through disciplined plant optimisation, technology-led efficiency improvements and lower greenhouse gas emissions. Institutionalised technology-led efficiency by deploying Machine Learning-based plant optimisation, expected to deliver **~8%** energy savings, lowering our carbon footprint while protecting long-term cost-to-serve. Strengthened resource stewardship by expanding Reverse Osmosis capacity to **24,969 m³/day** and prioritising Treated Sewage Effluent (TSE), reducing freshwater dependency and supporting the emirate's water security strategy.	***GRI 202; GRI 203;***	1. Climate transition and GHG emissions; 3. Energy efficiency and demand optimisation; 4. Energy sourcing and renewables integration; 6. Water stewardship and discharge quality
Grow with discipline	Contracted growth with sequenced conversion to connected load	Connected capacity reached **1.66 million RT**, reflecting a mature service footprint encompassing **1,747 buildings**. We significantly enhanced our future revenue visibility, with our cumulative contracted capacity reaching **1.94 million RT**, a trajectory underpinned by the signing of **163** new long-term agreements in 2025 alone.	***GRI 203;***	19. Regulatory and concession compliance 22. Supply chain governance and due diligence 25. Supply chain climate and disruption risks
Deliver customer outcomes and scale digital servicing	Frictionless customer servicing as volumes grow	Launched the feature-packed EMPOWER Mobile App in April 2025. Processed **979,051** digital bill payments and reached a **75%** target penetration for digital adoption. Approved **46,876** NOC service requests in 2025.	***GRI 418; GRI 2;***	16. Customer service reliability and continuity 17. Customer affordability and fair commercial practices 24. Customer data privacy and digital governance
Keep people safe and build capability	Strong safety performance and sustained capability development	Driven by rigorous operational discipline, EMPOWER delivered **7.52 million** working man-hours reinforced by **1,857 HSE** inspections in 2025. We sustained **31.27% overall Emiratisation**, with Emirati women comprising **over 61%** of total female workforce, and upskilled **555 employees**. Our governance and stewardship were recognised with **MAJRA's Impact Seal (Gold tier)**, part of the UAE's official federal recognition for CSR, ESG and sustainability excellence.	***GRI 403; GRI 404; GRI 405;***	9. Own workforce health and safety 10. Contractor health and safety 11. Skills, talent development and retention 12. Diversity, equity and inclusion
Deliver resilient financial outcomes and shareholder returns	Disciplined cash generation and predictable returns	Delivered strong financial performance for 2025, reporting revenues of **AED 3.42 billion**, pre-tax profit of **AED 1.10 billion**, and EBITDA of **AED 1.65 billion**, reflecting annuity-led growth and resilient margins. Shareholder commitments were upheld through the distribution of **AED 875 million** in dividends for the whole year.	***GRI 201; GRI 203;***	18. Business ethics and anti-bribery 20. Risk management and internal controls 23. Transparency and reporting quality

Operational & financial overview

How our performance matched strategy in 2025

EMPOWER delivered a robust financial performance for the fiscal year ended 31 December 2025, characterised by steady top-line growth and enhanced operational margins. The organization successfully transitioned from a phase of capacity-led expansion to efficiency-driven optimisation, utilising its scaled asset base to extract higher economic value.

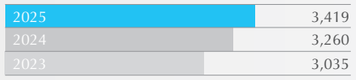
Total revenue reached AED 3.42 billion, representing a 4.9% year-on-year increase. This growth was underpinned by the expansion of the connected capacity and a high occupancy rate in existing real estate developments. The Company's disciplined approach to cost management and the institutionalisation of intelligence-led efficiency contributed to an operating profit of AED 1,273 million, a growth of 6.7% compared to 2024.

Revenue and profitability analysis

The Group's revenue model remains anchored in long-term concession agreements, providing high visibility for future cash flows. Consumption-based charges and fixed demand charges ensure a stable and recurring revenue stream.

Three-year revenue trend
(AED million)

3-Year CAGR:
6.1%



EBITDA for the year rose to AED 1,649 million, marking a 6.3% year-on-year increase. This growth reflects enhanced operational leverage and effective expense management. Profit before tax showed an impressive growth of 10.5%, reaching AED 1,103.2 million. Net profit attributable to equity holders was recorded at AED 993.3 million.

Profitability metrics table

Metric	2023	2024	2025	YoY Change
EBITDA (AEDm)	1,461	1,551	1,649	+6.3%
Profit before tax (AEDm)	942.6	998.3	1,103.2	+10.5%
Net profit (AEDm)	960.1	908.2	1,003.9	+10.5%
Earnings per share (AED)	0.095	0.090	0.099	+10.0%

Financial position and asset management

EMPOWER maintained a strong financial position with total assets increasing to AED 11.82 billion as of 31 December 2025. This was driven by strategic investments in property, plant, and equipment, which reached AED 7,195 million.

Consolidated financial position table

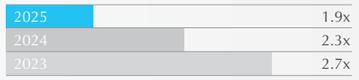
Component (AED '000)	2024	2025	Change
Non-current assets	8,823,595	9,038,193	+2.4%
Current assets	2,359,451	2,778,629	+17.8%
Total assets	**11,183,046**	**11,816,822**	**+5.7%**
Total equity	3,373,335	3,497,311	+3.7%
Total liabilities	7,809,711	8,319,511	+6.5%

The Company demonstrated disciplined capital allocation, with capital expenditures focused on infrastructure expansion and system upgrades. As of year-end, project commitments for projects-in-progress amounted to AED 825 million.

Debt management and leverage

EMPOWER continues to manage its capital structure prudently, successfully refinancing its term loans into a Revolving Credit Facility (RCF) with improved margins and extended maturity dates reaching up to 2028.

Leverage and debt profile
(Net Debt/EBITDA)



The reduction in the leverage ratio to 1.9x demonstrates the Company's strong cash-flow generation and gradual de-leveraging strategy. Net debt decreased to AED 3,190 million from AED 3,532 million in the prior year.

Cash flow and shareholder returns

Net cash generated from operating activities remained strong at AED 1,862 million. This robust cash flow supports the Company's sustainable dividend policy.

Shareholder returns table

Dividend Detail	2023	2024	2025
Total dividends paid (AEDm)	850	850	875
Dividend per share (AED)	0.085	0.085	0.0875
Payout frequency	Semi-annual	Semi-annual	Semi-annual

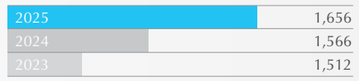
Operational scale and footprint

The 2025 dividend payout of AED 875 million reflects a transition to a new policy approved by shareholders, aligning returns with business growth.

The financial results are supported by a significant increase in the operational footprint. Connected capacity grew to 1.66 million RT, while contracted capacity reached 1.94 million RT.

Three-year capacity trend
(Connected RT)

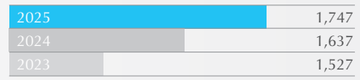
3-Year CAGR:
4.7%



The total number of buildings served reached 1,747 in 2025. This expanding network density strengthens service reliability and creates high barriers to entry in the district cooling sector.

Three-year operational expansion
(Buildings Served)

3-Year CAGR:
~7.0%



Outlook and future preparedness

EMPOWER is on a definitive trajectory to reach a connected capacity of 1.86 million RT by 2027, a goal directly supported by Dubai's Demand Side Management Strategy which targets 40% district cooling penetration by 2030. This scaling of the network is being executed alongside a transition from capacity-led expansion to efficiency-driven optimization, utilizing the integration of artificial intelligence and machine learning across its asset base to deliver expected energy savings of approximately 8%. These technology-led interventions are projected to enhance operational leverage and ensure margin sustainability as the company converts its cumulative contracted capacity, which reached 1.94 million RT in 2025, into active connected load. Beyond its dominant position in Dubai, management is actively pursuing geographical expansion into high-potential GCC markets, utilizing its fully integrated, world-class operating model to drive long-term shareholder value and support regional urban decarbonisation.

Operational & financial overview

Operational performance

EMPOWER approaches operational performance through the lens of a global leader in utility service provision, where rigorous management controls and a disciplined mandate for excellence underpin the scale of our service delivery. As a primary utility anchor integrated into the emirate's complex urban fabric, our operations are engineered for long-term continuity, predictability, and resilience. Rather than focusing on infrastructure development as a standalone function, we prioritise our role as a dedicated provider of District Cooling Services (DCS), ensuring that our vast building portfolio benefits from seamless service delivery while our shareholders benefit from the stability of annuity-style cash flows. By synchronising demand-led building connections with intelligence-led optimisation, we extract higher value from our operational footprint, providing the high-efficiency cooling essential for sustaining Dubai's vertical expansion.

EMPOWER's operating philosophy prioritises system-wide coordination, asset integrity, and readiness-led expansion, ensuring reliability even as network complexity increases. Efficiency and service continuity are treated as foundational operating controls, embedded into daily decision-making and reinforced through mature management systems and assurance frameworks. This disciplined approach enables EMPOWER to integrate new connected capacity, serve its building portfolio consistently, and protect stakeholder trust, while maintaining the stability and governance standards expected of a global leader in district cooling utility services.

Performance assurance and resilience

GRI 2

Investors and governance stakeholders rely on assurance signals that demonstrate control maturity across operations, safety, environment and information security. In 2025, we strengthened these signals through management system certifications and surveillance audits covering quality, environment, occupational health and safety, and information security.

In November 2025, we renewed ISO certifications for **ISO 9001:2015, ISO 14001:2015** and **ISO 45001:2018**, and we completed the surveillance audit for **ISO 27001:2022** with Bureau Veritas across our head office and district cooling plants, reinforcing confidence in our operating and governance control environment.

Service delivery at scale

GRI 2, GRI 203

EMPOWER delivered seamless service continuity across its vast and growing network throughout 2025, demonstrating the inherent scalability of its utility service model. As we actively expand our portfolio to encompass more districts and high-density developments, our infrastructure is engineered to keep pace, ensuring that increased scale translates into enhanced system resilience and operational efficiency. By precisely synchronising our network expansion with Dubai's vertical and commercial growth, we maintain the highest standards of operational readiness and a rigorous tolerance for disruption, particularly during periods of peak demand. In 2025, we operated this sophisticated utility platform with 99.34% network reliability, serving 1,747 buildings across a distribution network exceeding 430 km, all supported by a connected capacity of 1.66 million RT.

How we delivered reliable service continuity

Operational control and response discipline

We run the network as a coordinated system. Clear escalation routes, defined response playbooks and performance monitoring help us identify issues early, contain them quickly and restore service with predictable execution standards.

Asset readiness and integrity

We protect continuity by aligning maintenance planning to demand cycles, applying condition-based inspection practices, and prioritising interventions around critical assets that anchor network stability.

Capacity additions with readiness gates

We integrate new assets through structured readiness checks and formal handovers from projects into operations. This approach reduces operational variability when connected load increases and supports repeatable delivery as we expand.

2025 delivery proof points from the year

1,747
buildings served

430+ km
total network length

1.66 million RT
total connected capacity

7.52 million
working man-hours

AED 875 million
dividends paid

Operational & financial overview

Commissioning the Deria Waterfront project

In November 2025, we commenced operations of the Deira Waterfront district cooling plant, with 39,000 RT capacity designed to serve more than 46 buildings. The project provides evidence of how we add significant capacity while maintaining design, build and commissioning standards aligned with the requirements of an operating utility network.

Commissioning milestone: Deira Waterfront plant commenced operations to serve over 46 buildings.

Operating efficiency and cost-to-serve discipline

GRI 302, GRI 303.

Efficiency is the operating lever that links engineering performance to financial resilience. In district cooling, energy and water intensity shape unit economics, support predictable cost-to-serve outcomes, and strengthen operating resilience during periods of demand variability. In 2025, we delivered disciplined operating performance across energy and water management, supported by 9.22% TSE/recycled water usage.

What does efficient delivery mean in EMPOWER's operating context?

Energy efficiency as a controllable performance outcome

Energy efficiency reflects how well we match plant dispatch, sequencing and operating set points to real demand profiles. Sustained performance supports cost stability and reduces sensitivity to operating volatility, particularly when systems operate across multiple districts with different load characteristics.

Water stewardship as operational resilience

Water performance has direct operational relevance in district cooling. We treat it as a managed input with measurable outcomes: total consumption, efficiency per unit of cooling and the share of recycled inputs. In 2025, our total water consumption was 22,753.16 ML, including 20,655.93 ML of freshwater and 2,097.23 ML of recycled water, supported by a 24,969 m³/day reverse osmosis

Building future capability: strengthening collaboration on advanced district cooling technologies.

How we delivered efficiency discipline

24,969 m³/day
reverse osmosis capacity

22,753.16 ML
total water consumption

9.22 %
TSE/recycled water share

1.08 mn t CO_2
Annual mitigation through our network's operational scale

Operational & financial overview

Plant optimisation and dispatch control

We manage growth through execution quality: building a contracted pipeline, converting contracted demand into connected load through sequenced delivery, and integrating new capacity into operations with readiness discipline. In 2025, we ended the year with 1.94 million RT of contracted capacity and 1.66 million RT of connected capacity, and we signed 163 new long-term contracts.

Thought leadership: sharing operating excellence and efficiency-led district cooling expertise.

Technology-enabled operating maturity

In 2025, the International District Energy Association recognised EMPOWER with an Innovation Award Honourable Mention for optimising a district cooling plant using machine learning, reinforcing the maturity of our optimisation approach and its relevance to consistent performance delivery.

Design choices that embed efficiency into growth

Our double materiality approach

Where we add capacity, we apply design features that support operational efficiency and resource stewardship. In August 2025, we signed a contract to design a new district cooling plant at Dubai Science Park with 47,000 RT planned capacity, incorporating thermal energy storage, TSE technology and artificial intelligence applications aimed at maximum efficiency and sustainability in operations.

Operational & financial overview

Growth, delivery and conversion

National platform leadership: reinforcing the UAE's energy conservation agenda through WETEX 2025.

This contracted-to-connected pathway is a core test of delivery confidence. Contracted capacity underpins revenue visibility; connected capacity reflects the point where service performance, commissioning discipline and customer readiness converge into delivered outcomes.

Contract-led pipeline discipline

We focus on long-term contracting that supports efficient capacity planning. In 2025, we signed 163 new long-term contracts, strengthening the forward contracted base that supports sequenced investment decisions.

Readiness and commissioning controls

We convert contracted demand into connected load through gated readiness, commissioning execution and structured handovers into operations. This approach supports continuity when new customers and new assets enter the network.

Capacity additions aligned to demand locations

Our 2025 development activity demonstrates how we position future supply in growing districts while managing execution quality in the delivery pathway:

How we delivered disciplined growth conversion

1.66 million RT
connected capacity (year-end)

90,000 RT
addition to connected capacity

163
new long-term contracts

June 2025

We commenced excavation and foundation works for a new plant in **Al Sufouh 2**, planned at **23,400 RT**, with construction scheduled for the fourth quarter of 2025.

November 2025

We commenced operations of the **Deira Waterfront** plant, adding **39,000 RT** of capacity, serving more than **46 buildings**, reflecting the progression from development to operations.

Operational & financial overview

Customer experience and digital service performance

GRI 418

Customer outcomes form part of operating performance. As EMPOWER scales, digital servicing reduces friction, supports transaction reliability and strengthens service consistency across a growing customer base. In 2025, we processed 979,051 digital bill payments and recorded 34,976 new registrations, representing a 25.54% increase.

Transaction reliability at volume

Digital payments and registrations indicate the extent to which customer interactions shift into repeatable, high-volume processes. This supports smoother service operations as the network expands and the number of customer touchpoints increases.

Service accessibility and efficiency

Digital servicing supports a more efficient customer interface by reducing manual processing requirements and improving consistency in account management and billing workflows.

Trust and control assurance in the digital channel

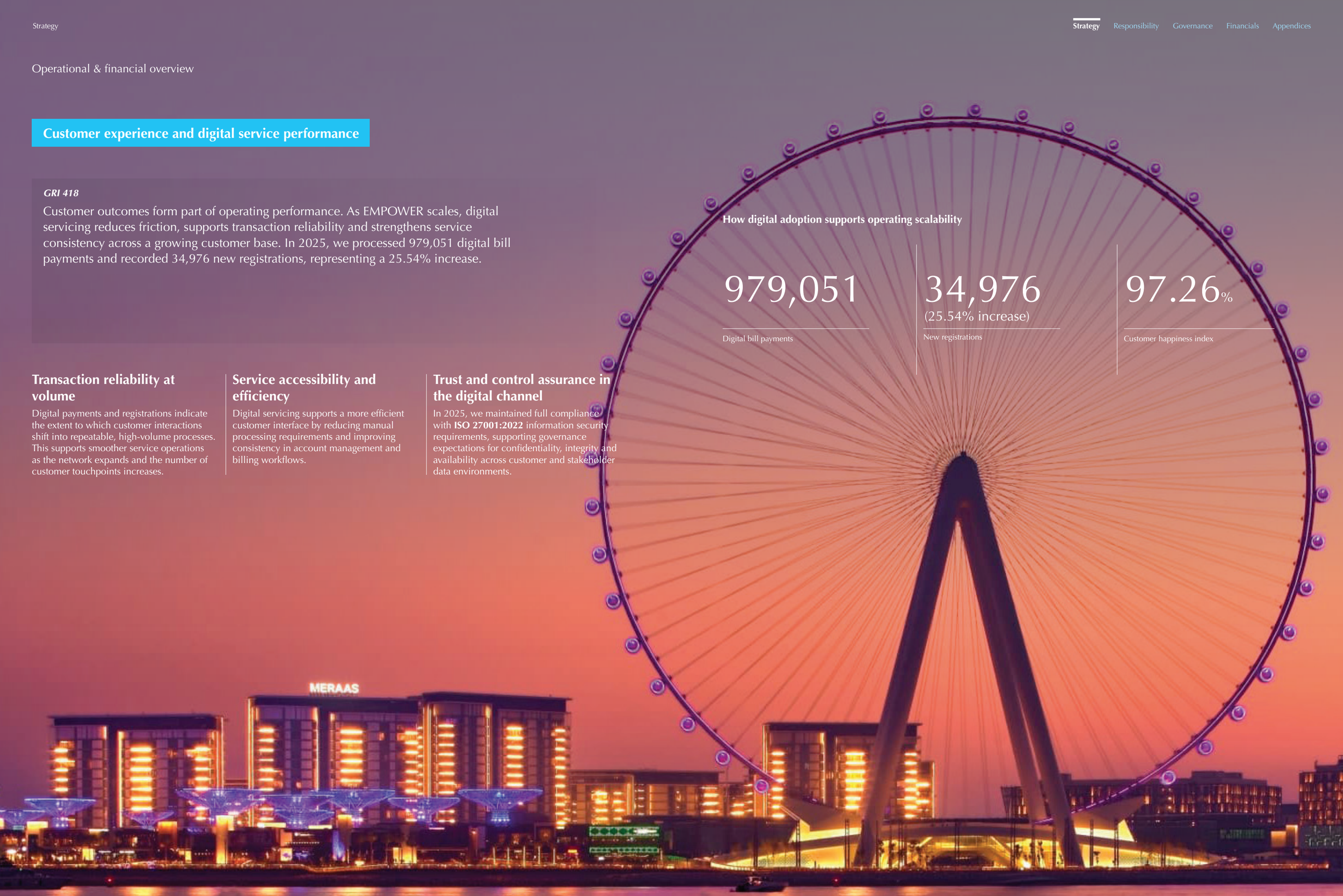
In 2025, we maintained full compliance with **ISO 27001:2022** information security requirements, supporting governance expectations for confidentiality, integrity and availability across customer and stakeholder data environments.

How digital adoption supports operating scalability

979,051
Digital bill payments

34,976
(25.54% increase)
New registrations

97.26%
Customer happiness index



Operational & financial overview

GRI 403; GRI 404; GRI 405

Safety and capability support reliability, efficiency and growth delivery. In 2025, we delivered 7,520,533 working man-hours supported by 1,857 HSE inspections. We employed 1,054 colleagues and trained 555 employees during the year.

7,520,533

delivered
working man-hours.

1,857

completed
HSE inspections, supporting a consistent oversight approach across sites.

We continued our progress on Emiratisation, reaching 31.27% among office staff to strengthen organisational continuity and resilience.

How we manage safety performance as an operating control

Field verification and assurance coverage

HSE inspections function as a core operational control, providing visibility across work practices, contractor compliance and risk controls in both operational and project environments. In 2025, we completed 1,857 HSE inspections, supporting a consistent oversight approach across sites.

High-consequence risk focus

Our safety approach prioritises prevention of high-severity events through precise controls, supervision and adherence to defined procedures across operational activities and project execution.

Capability building aligned to operating complexity

Workforce scale and training participation

Our workforce scale and training activity support consistent execution as our network and project programme grow. In 2025, we trained 555 employees, supporting competence development aligned to operational reliability and maintenance quality requirements.

National talent and long-term capability resilience

We continued progress on Emiratisation among office staff, reaching 31.27% (111 UAE Nationals out of 355). This strengthens organisational continuity and supports stakeholder expectations in a strategic infrastructure sector.

Risk management

Risk, resilience and future preparedness

Our ERM framework aligns technical oversight, governance discipline, and execution control to protect service delivery, optimise capital deployment, and reinforce the resilience that underpins predictable cash flows and long-term value creation.

Why risk management matters to value creation

At EMPOWER, risk management is the discipline that allows us to grow without compromising what customers and regulators value most: dependable service, efficient delivery and confidence that the system will perform under peak conditions. As the operator of a large scale RT connected asset base, we run an enduring utility platform where value is created over decades, but can be damaged quickly if reliability falters, assets underperform, or governance expectations are not met.

Our Enterprise Risk Management (ERM) framework is designed to protect four value creation outcomes that define our business model.

First, service continuity

In a city where cooling is essential, reliability is the service we deliver every day. ERM supports this by ensuring that the risks most likely to interrupt service – from operational disruptions to control-system vulnerabilities – are visible early, owned clearly and managed through controls, readiness planning and escalation.

Second, returns on long-life assets

District cooling works because scale and efficiency compound over time. That only holds if plants and networks are maintained as performance assets, expanded in step with demand, and operated in a way that protects efficiency and availability. ERM strengthens investment discipline by keeping project execution, ramp-up and operational performance under structured oversight.

Third, licence to operate

For an energy-adjacent utility, compliance and stakeholder confidence are essential. The governance cascade, audit coverage and action tracking embedded in our ERM approach provide the assurance that operating and reporting expectations are being met consistently.

Finally, balance-sheet resilience

Our model is built to deliver predictable outcomes; ERM supports this predictability by tightening execution control, reducing operational volatility, and ensuring that resilience planning is treated as a strategic requirement.

Taken together, this approach safeguards the capitals that underpin value creation in our operating context: asset integrity and network performance, predictable cash flows and disciplined capital allocation, and efficiency-led cooling delivery.

Risk governance and ERM integration

Risk oversight starts at the Board of Directors, with committee support through the Audit and Risk Committee and the NR&ESG Committee. This governance cascade is a routing mechanism that ensures risk signals travel from operations to oversight with the right level of scrutiny and escalation.

At the executive level, risk ownership is assigned by category, ensuring that risks sit with the leaders who control the levers of mitigation. Our ERM cycle follows a consistent rhythm: identify → assess → mitigate → monitor → report. The practical objective is not a risk register. It is operational clarity: what could prevent delivery, what would that impact, what controls exist, and what must change this year to strengthen resilience.

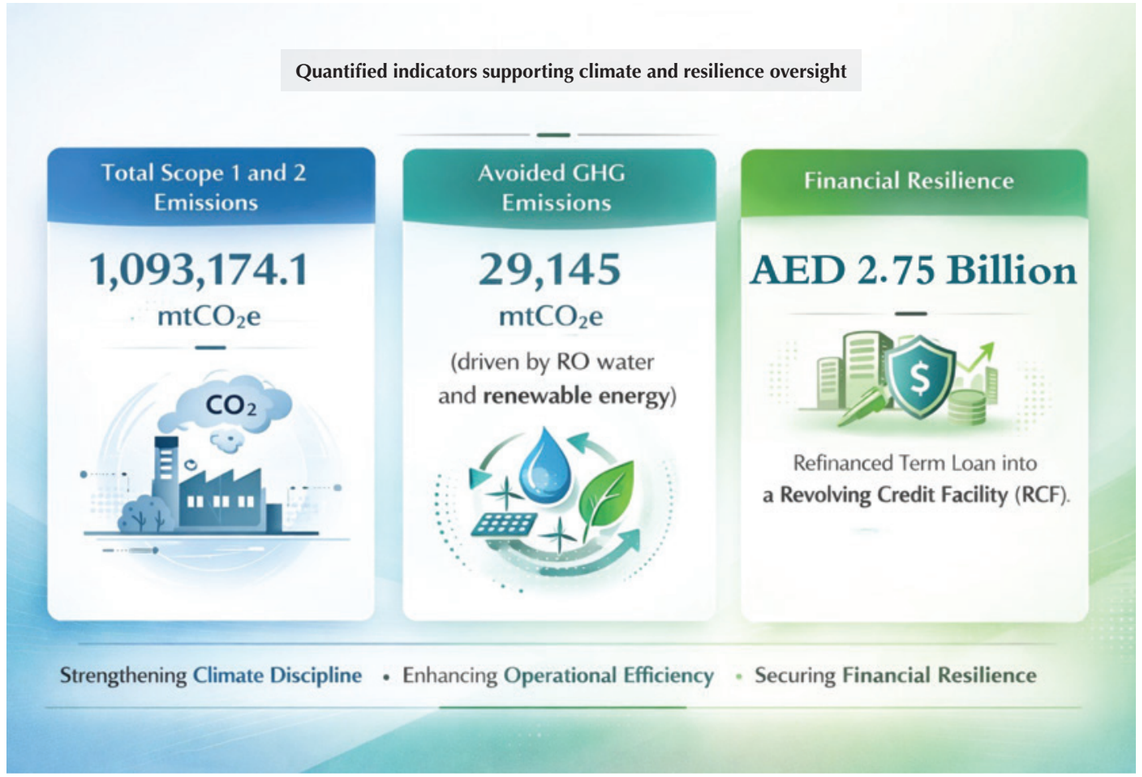
In addition to Board and committee oversight, EMPOWER strengthened technical risk governance through the Technical Committee, which provides a focused layer of review for technical, project and operational matters. In 2025, the Technical Committee played a central role in scrutinising procurement documentation and overseeing risk considerations linked to the Group's AED 440 million capital expenditure programme and major plant additions. This ensures that delivery risk, specification risk and operational-readiness risk are challenged early, and that capital allocation decisions are supported by specialist technical oversight.

What changed in 2025

In 2025, we institutionalised an ERM framework aligned with ISO 31000:2018. We achieved 100% audit coverage across all key processes and departments and sustained an 85% Management Action Plans (MAPs) closure rate, reinforcing a culture of follow-through. We also sharpened the way we treat climate risk: as an enterprise-wide risk lens that can intensify operational, infrastructure and compliance risks over time.

We also enhanced risk identification by strengthening the link between enterprise risk assessment and strategic planning. While Dubai's growth outlook is structurally supportive, geographic concentration increases exposure to regional macroeconomic, regulatory and climate-related shocks. This risk lens strengthens the rationale for exploring geographic expansion as a longer-term opportunity, including selective growth in the GCC and beyond, to diversify earnings and reduce single-market concentration over time.

Risk management



Governance and ERM flow

Layer	Role In risk oversight	What this means in practice	Evidence from 2025
Board of directors	Ultimate accountability for risk appetite and oversight	Sets expectations for disciplined growth and resilience; ensures risks are considered in strategic decisions	Risk oversight embedded in board governance cascade
Audit and risk committee	Assurance-led oversight of the risk framework	Challenges material risks, controls and closure discipline; monitors audit coverage	100% audit coverage across key processes and departments
NR&ESG committee	Strategic oversight where sustainability and transition factors influence risk	Ensures climate and transition considerations are integrated into enterprise oversight	Climate risk treated as an integrated enterprise factor
Executive management	Direct ownership of risk categories and delivery of mitigations	Converts risk priorities into operating controls, mitigation actions and monitored kpis	85% MAP closure rate demonstrates accountability in action
ERM cycle	Operating mechanism	Identify ➔ assess ➔ mitigate ➔ monitor ➔ report, with escalation where needed	ISO 31000:2018-aligned ERM institutionalised in 2025

Principal risks and mitigations

Principal risk	Trend	Time horizon	Primary value driver exposed	Why this sits on the principal risk list
Network reliability		0–2 years	Service continuity	Reliability is the core service outcome. Even short disruptions carry disproportionate customer and reputational impact in peak periods.
Asset integrity and plant performance		3–5 years	Capital efficiency	Long-life assets create value only if performance is sustained. Efficiency drift or failure increases cost-to-serve and reduces availability.
Demand, connection ramp-up and project execution		0–2 years	Growth discipline	Growth is realised when contracted load converts into commissioned, connected capacity. Delays defer revenue activation and weaken operating leverage.
Cybersecurity and OT resilience		0–5 years	Operational control	Control systems are foundational to 24/7 operations. A breach can trigger operational instability and service disruption at scale.
Regulatory compliance		0–5+ years	Licence to operate	Utilities operate under evolving expectations. Compliance underpins stakeholder confidence and the ability to scale sustainably.
Climate transition		5+ years	Natural capital	Transition requirements shape efficiency expectations, resource dependencies and long-term operating context; they can amplify multiple risks.
Resource security (energy and water)		0–5+ years	Service continuity / natural capital	Resource dependencies become more material as climate intensity rises and operating expectations evolve

We describe principal risks in relation to what they could interrupt: reliable service, disciplined expansion, cost-to-serve performance, or stakeholder and regulatory confidence. Each risk below is framed as a cause-and-consequence pathway, followed by how we manage it and what we delivered this year.

Quantified indicators supporting climate and resilience oversight

- **Total Scope 1 and 2 emissions:** 1,093,174.1 $mtCO_2e$
- **Avoided GHG emissions:** 29,145 $mtCO_2e$ (driven by RO water and renewable energy)
- **Financial resilience:** refinanced AED 2.75 billion term loan into a Revolving Credit Facility (RCF), extending maturity and improving funding flexibility

Principal risk register

Principal risk	Risk statement	How it impacts strategy and value creation	How we respond	Evidence and progress in 2025
Demand, connection ramp-up and project execution	Delays in infrastructure build-out or slower customer connection rates could defer revenue activation and weaken revenue durability.	Disciplined growth requires capacity to be activated in step with demand. Delays can defer cash flow conversion and dilute returns on invested capital.	Contracting discipline; strong project governance; phased commissioning aligned with real estate delivery; close coordination with master developers to reduce interface risk.	Secured landmark agreements for The Island (23,853 RT), Uptown Dubai Phase 2 (24,675 RT), and Palm Gateway (9,470 RT).

Risk management

Principal risk	Risk statement	How it impacts strategy and value creation	How we respond	Evidence and progress in 2025
Cybersecurity and OT resilience	Unauthorised access to operational systems (including SCADA) or data breaches could disrupt 24/7 operations and compromise operational control.	Control systems are foundational to reliability and safe operations. OT disruption can trigger service instability and reputational damage at utility scale.	Maintain information security standards; continuous monitoring and detection; incident readiness; assurance over controls, access management and recovery capability.	Maintained ISO 27001:2022 and implemented AI-driven threat detection. OT defence strategy structured around a five-pillar lifecycle.
Asset integrity and plant performance	Equipment failure or suboptimal efficiency levels (kW/RT) could increase cost-to-serve and reduce performance during high-demand periods.	Efficiency and availability protect margins, customer outcomes and long-term asset value. Degradation erodes value over time; failures can erode it quickly.	Preventative maintenance discipline; routine audits; performance monitoring to identify early signs of degradation and intervene before service is affected.	Executed intensive preventive maintenance and monthly refrigerant leakage audits; continued focus on protecting efficiency performance.

How we build operational technology resilience

EMPOWER's OT defence strategy for critical infrastructure is built on five pillars:

- **Identify:** asset inventory and system mapping
- **Protect:** secure infrastructure and access controls
- **Detect:** advanced SIEM (Security Information and Event Management) and monitoring for early warning
- **Respond:** incident investigation and root-cause analysis
- **Recover:** backups and restoration protocols to regain operational control quickly

Climate and transition considerations

Climate risk framing

We apply a Task Force on Climate-related Financial Disclosures (TCFD)-aligned approach, categorising climate-related risks into:

- **Physical risks** (acute and chronic), including heatwaves and flooding; and
- **Transition risks,** including regulatory shifts and Net Zero pathways that influence operating expectations, efficiency requirements and resource dependencies.

With 2025 among the warmest years on record, climate and transition factors are treated as risk intensifiers that can increase the likelihood and impact of operational disruption, resource dependency and compliance expectations over time.

Climate impact matrix

This matrix shows where climate and transition factors can amplify risk pathways and which resilience levers reduce exposure.

Area	Physical risk pathway (acute/chronic)	Transition risk pathway (policy/technology)	What this means for EMPOWER	How we reduce exposure
Electricity supply	Heatwaves increase peak-load stress and narrow operating headroom during peak periods.	Grid decarbonisation and evolving efficiency expectations can change operating requirements and dependencies.	Increases the importance of reliability discipline and operational control during peak demand windows.	Strengthen operational control and OT resilience; embed reliability readiness into planning and execution.
Water security	Chronic water stress can tighten supply conditions over time.	Transition investment can shift supply solutions and resilience expectations.	Water availability becomes a resilience issue, not only a resource issue, in a warming environment.	Expansion of RO capacity (24,969 m³/day) de-risks supply exposure.

Resilience planning and business continuity

Resilience is built through multiple layers of protection: preventing disruption where possible, preparing for disruption where risk cannot be fully eliminated, and recovering quickly when events occur. Our approach strengthens operational continuity, technical independence and financial flexibility.

Operational resilience: institutionalised weather-response protocol (case study)

Following historical rain-related auto-discharges caused by water ingress into control panels, EMPOWER institutionalised a proactive weather-response protocol to protect fire extinguishing system integrity. In December 2025, this protocol enabled the successful securing of 59,689 kg of extinguishing media, avoiding AED 4 million in direct maintenance costs and preventing operational disruption associated with unplanned system discharge and restoration activity.

Supply chain resilience and technical independence

To reduce "outsource risk" and improve control over critical repairs, EMPOWER shifted from OEM-led to in-house compressor overhauls for Trane centrifugal chillers. This reduces dependency on global OEM capacity and lead times, strengthens turnaround control and quality assurance, and improves cost discipline. The initiative is enabled by an internal technical team with 10–15+ years of experience and has delivered 60% cost savings.

Financial resilience

Balance-sheet resilience was strengthened through the refinancing of a AED 2.75 billion term loan into a Revolving Credit Facility (RCF), extending maturity and improving funding flexibility to support disciplined capex phasing and resilience planning.

Resilience layers

Resilience layer	What we protect	How disruption could show up	How we build resilience	What we saw in 2025
Operational resilience	Service continuity and cost-to-serve stability	Weather events, operational stress during peak, maintenance-driven downtime	Protocols, preparedness and learning loops	AED 4 million cost avoidance; protocol enabled securing of 59,689 kg extinguishing media
Supply chain resilience	Repair speed, cost control and technical independence	OEM dependency, lead times, cost inflation	In-house overhaul capability	60% cost savings; reduced dependency on global OEMs
Financial resilience	Balance-sheet strength and investment flexibility	Capex volatility, margin pressure	RCF structure and maturity extension	AED 2.75 billion refinanced into RCF

Emerging risks and forward watchlist

We maintain an active watchlist for risks that are building in relevance and could become principal risks as the operating context evolves.

Emerging risk	Why it matters	What we are watching
Talent scarcity	Specialist operational capability underpins reliability and execution quality.	Availability of experienced HVAC technicians (10–15+ years) and the ability to retain critical skills.
Grid constraints and peak-load exposure	Demand growth increases system stress during peak conditions.	Capacity and reliability pressures as Dubai progresses toward 5.8 Million population by 2040.
AI ethics and governance	ML-driven optimisation can deliver efficiency benefits, but requires oversight.	Transparency and governance as models are expected to deliver ~8% energy savings.

Stakeholders engagement and outcomes

Synchronising stakeholder priorities with enterprise value

Primary SDGs	Material Issues	GRI standards
5 GENDER EQUALITY; 6 CLEAN WATER AND SANITATION; 7 AFFORDABLE AND CLEAN ENERGY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 10 REDUCED INEQUALITIES; 11 SUSTAINABLE CITIES AND COMMUNITIES; 17 PARTNERSHIPS FOR THE GOALS	*5, 6, 7, 10, 16, 17, 20, 24*	*GRI 2; 102-13; 102-16; 103-2; 203; 203-2; 205; 301; 302; 303; 406; 408; 409; 412; 418.*

At EMPOWER, stakeholder engagement is embedded within the core of strategic planning, risk management and value creation. The Group recognises that sustainable enterprise performance depends on an informed and continuous dialogue with those who influence, and are influenced by, its operations. In 2025, engagement was positioned as a structured governance process that integrates investor expectations, customer experience insights, regulatory direction, employee perspectives and community priorities into operational decision-making. Rather than functioning as a communications overlay, stakeholder engagement informs capital allocation, digital transformation, service reliability frameworks and sustainability governance. This approach ensures that material topics are derived from substantive interaction and evidence-based assessment, and that strategy remains aligned with long-term financial resilience, operational efficiency and responsible growth.

In 2025, EMPOWER translated stakeholder dialogue into measurable operational and strategic outcomes. Supplier feedback regarding climate-related supply chain volatility prompted the expansion of Reverse Osmosis capacity and the strengthening of operational continuity.

Customer engagement outcomes were similarly tangible, proven by a 25.54 percent increase in online registrations and the processing of 979,051 digital bill payments during the year.

These results demonstrate the institutionalisation of feedback loops across operational, digital and governance domains, reinforcing EMPOWER's positioning as an intelligence-led utility aligned with stakeholder priorities.

Strategic engagement philosophy

At EMPOWER, stakeholder engagement is transitioned from a corporate communication function to a primary driver of strategic adaptation. By integrating stakeholder insights into the "Double Materiality" framework, the organisation ensures that its operational focus remains aligned with both enterprise value creation and social impact.

The materiality link: translating feedback into strategy

A systematic survey informed EMPOWER's 2025 materiality assessment of internal and external stakeholder panels, including Board members, executive leadership, investors, and customers. This engagement ensures that the material topics reported are not merely selected by management but reflect the risks and opportunities identified by those most impacted by the Group's operations.

Read more on "Material topics and strategic alignment" on Page 96.

Strategic participation in industry events

EMPOWER strategically participates in high-profile international and regional events to maintain a professional dialogue with utility leaders, industry experts, and government decision-makers. Throughout 2025, the company utilised its Diamond Sponsorship of the International District Energy Association (IDEA) conferences to showcase its two decades of expertise in district cooling. At regional platforms such as WETEX, the organisation engages developers and technical consultants by demonstrating the integration of artificial intelligence and advanced automation within its cooling plants. Furthermore, EMPOWER actively contributes to global industry dialogue by participating in international platforms such as LAC 2025 in Chile, facilitating cross-border knowledge exchange and showcasing its district cooling expertise. In parallel, the Group hosts technical study visits at its operational facilities in Dubai, enabling stakeholders, regulators and industry professionals to experience first-hand its energy-efficient district cooling model and operational best practices.

These events serve as vital mechanisms for collecting stakeholder feedback, which directly informs the Group's materiality assessment and strategic adaptation. By actively contributing to global standards through partnerships with ASHRAE, EMPOWER reinforces its market leadership and aligns its service delivery with international climate goals.

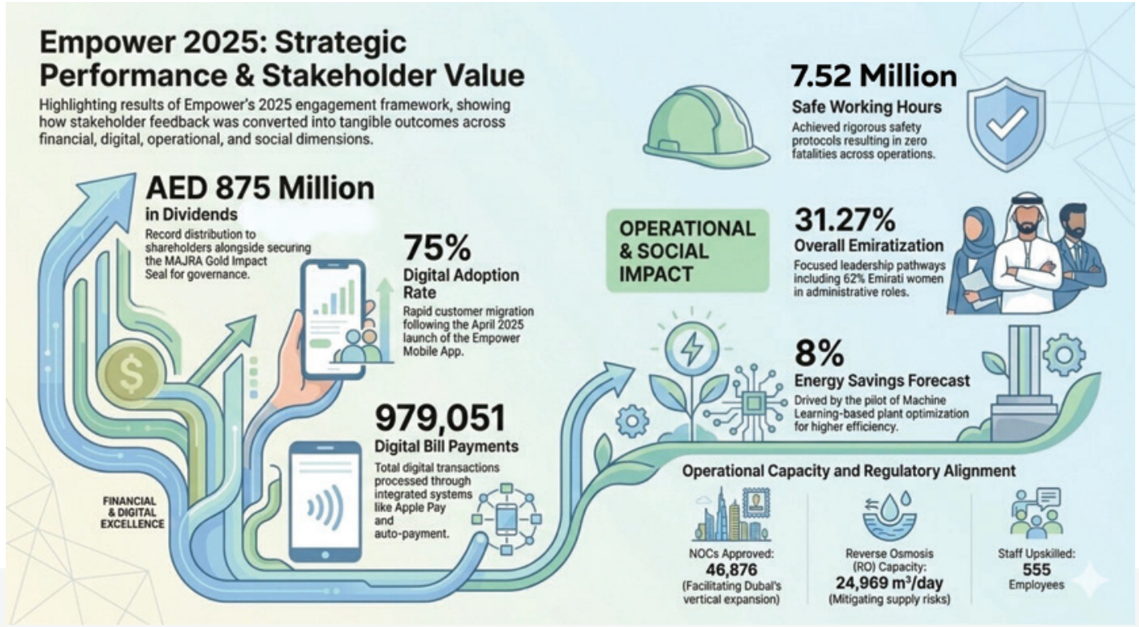
Stakeholders engagement and outcomes

Optimising Customer Experience through Digital Feedback

A significant engagement outcome in 2025 was the iterative improvement of digital servicing platforms based on direct customer insights. Analysis of 2025 survey data indicated that end users required greater autonomy in managing their cooling consumption. In response, the Group introduced features allowing customers to view daily consumption metrics on the e-service portal and mobile app.

During the period from January to December 2025, the Group strengthened its service responsiveness by approving 46,876 No Objection Certificate applications, reflecting a 10% increase over the corresponding period in 2024. This expanded throughput formed part of a broader effort to streamline approval cycles and enhance process efficiency for consultants and contractors. By enabling timely access to EMPOWER's technical clearances, the NOC framework contributed to lowering the incidence of network violations, infrastructure damage and associated penalties, while reducing administrative effort and turnaround time. Collectively, these measures supported improved stakeholder experience, reinforced the scalability, and cost efficiency of the Group's operating model.

Analysis of 2025 survey data indicated that end users required greater autonomy in managing their cooling consumption, leading to new daily metrics on our e-service portal and mobile app.



Engagement Framework and Outcomes

Stakeholder Group	Engagement Methods	Strategic Priorities and Feedback Received	Strategic Response and Outcomes in 2025
Shareholders and Investors	AGMs (March/October), quarterly earnings calls, non-deal roadshows, and enhanced digital disclosures.	Focus on dividend predictability, long-term capital discipline, and ESG governance maturity.	Distributed a record **AED 875 million** in dividends; secured the **MAJRA Gold Impact Seal** (highest federal tier) to validate sovereign-tier governance.
Customers (Master Developers & End Users)	**EMPOWER Mobile App** (launched April 2025), feedback system over the call centre and at customer service centres.	Demand for frictionless payments, consumption autonomy, and efficient project enablement.	Launched the **EMPOWER Mobile App** in April 2025; integrated **Apple Pay** and auto-payment options; achieved a **75% digital adoption rate.** Processed **979,051 digital bill payments;** approved 46,876 **NOCs** to facilitate Dubai's vertical expansion.
Employees	The Messenger newsletter, direct CEO communication, and the Annual Staff Gathering.	Focus on professional upskilling, Emirati leadership pathways, and rigorous safety protocols.	Upskilled **555 employees;** maintained **31.27% overall Emiratisation** (with **61% Emirati women** in the total female workforce); achieved **7.52 million working man-hours**.
Regulators and Government	Policy forums, compliance audits, and strategic energy workshops.	Alignment with **UAE Net Zero 2050** and the **Dubai DSM Strategy 2030** (targeting 40% DC penetration).	Piloted **ML-based plant optimisation expected** to deliver **8% additional energy savings;** achieved **100% internal audit coverage** of all key processes.
Suppliers and Partners	Procurement audits, performance reviews, and ASHRAE/UNEP collaborations.	Need for technical standards and supply chain resilience against environmental stressors.	Renewed **ISO 9001, 14001, 45001, and 27001** certifications; conducted surveillance audits for **ISO 27001:2022** across the value chain; expanded **RO capacity to 24,969 m³/day** to mitigate freshwater supply disruption risks.

Management discussion and analysis

1. Global economic overview

The global economic environment in 2025 remained fluid, shaped by shifts in US policy priorities and subsequent adjustments across major economies. Trade developments influenced the macroeconomic narrative, with tariff-related announcements driving fluctuations in growth expectations and investor sentiment. While a new round of US tariff measures raised effective tariff levels compared to 2024, countermeasures by trading partners remained relatively contained, and subsequent agreements partially moderated the initial impact. Nevertheless, trade policy uncertainty persisted, with increasing focus on its downstream effects on prices, investment decisions, and consumption.

Despite this uncertainty, the global economy demonstrated resilience in 2025, as trade-related disruptions were less severe than initially anticipated. However, the cumulative impact of policy shifts has gradually weighed on growth momentum. According to the International Monetary Fund, global GDP growth is expected to stabilise at around 3.2% in 2025 and ease modestly to 3.1% in 2026. Growth in advanced economies has moderated amid the lagged effects of tighter monetary conditions, while emerging and developing economies have continued to outperform, supported by urbanisation, infrastructure development, and sustained demand for services.

Global investment trends indicate that the energy transition has become a central driver of economic activity rather than a peripheral policy objective. According to the World Resources Institute's analysis, total global energy investment reached a record USD 3.3 trillion in 2025, with around USD 2.2 trillion allocated to clean energy, reflecting sustained momentum toward renewables, electrification, and grid modernisation. This shift is being reinforced by structurally rising electricity demand, driven by urbanisation, digitalisation, and increased cooling requirements linked to climate change. In parallel, corporate investment behaviour continues to reflect a long-term strategic commitment to climate technologies, with firms maintaining investments in energy-efficient and low-carbon solutions despite near-term regulatory and policy uncertainties. Collectively, these trends underscore the growing role of energy efficiency and climate-resilient infrastructure as foundational elements of long-term economic stability and growth.

Global GDP growth projections by IMF

2026	3.1%
2025	3.2%
2024	3.3%

Source: World Economic Outlook, IMF, Oct 2025.

As the global economy enters 2026, the outlook remains shaped by ongoing policy uncertainty, geopolitical fragmentation, and the lagged effects of tighter financial conditions, which continue to influence trade flows, capital allocation, and medium-term growth expectations. While short-term data have at times reflected resilience, this has been uneven and partially influenced by temporary policy distortions and abrupt shifts in expectations. Against this backdrop, global growth prospects remain subdued in both the near and longer term. However, the persistence of structural drivers such as urbanisation, rising electricity demand, and climate-related adaptation needs continues to underpin investment in essential infrastructure, reinforcing the role of long-life, efficiency-oriented assets as anchors of economic stability amid an increasingly uncertain global environment.

3.1%

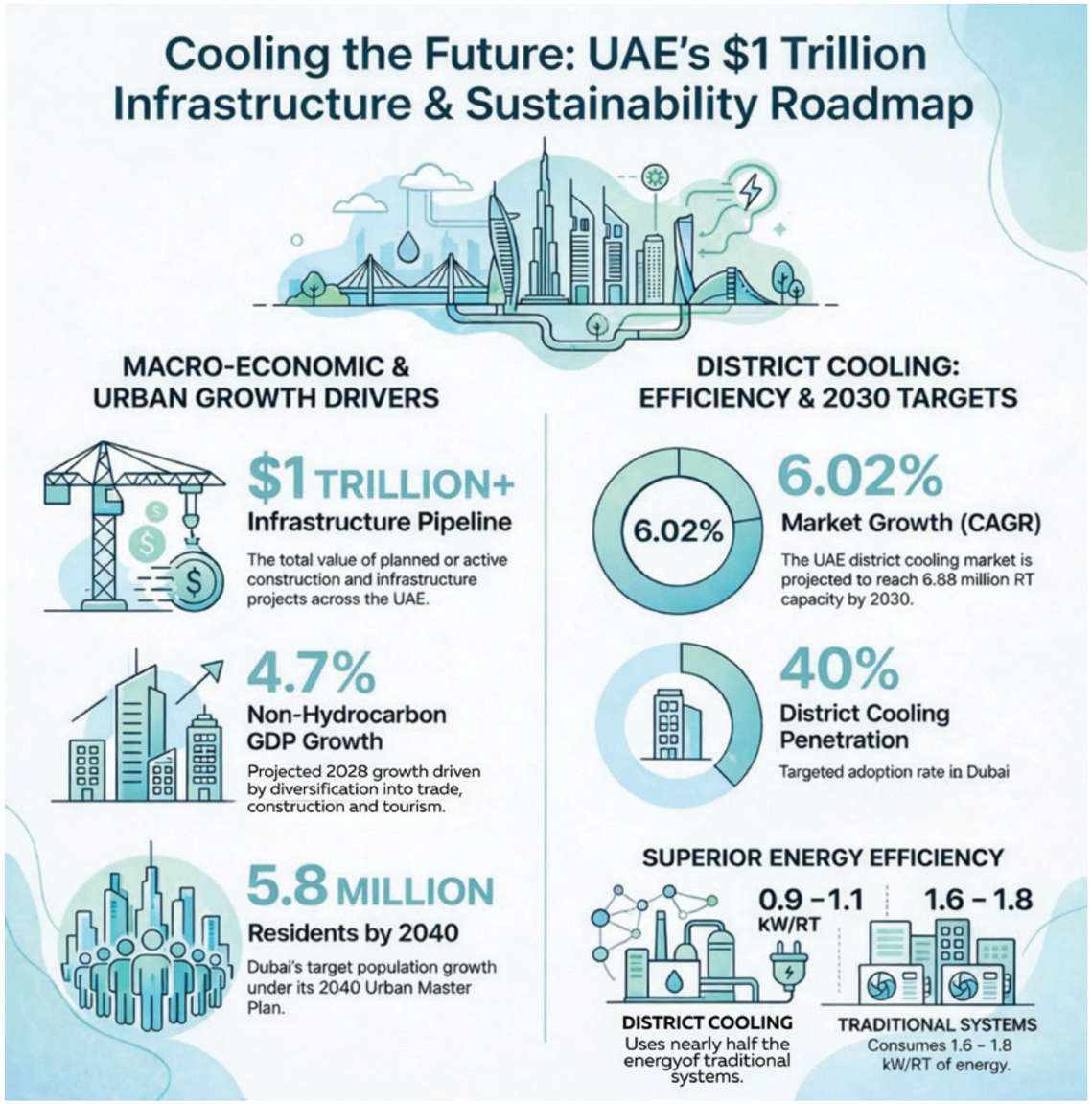
Global GDP growth is projected for 2026, reflecting a gradual moderation in global growth momentum, according to the International Monetary Fund.

USD 3.3 trillion

Global energy investment, totalling approximately **USD 3.3 trillion**, reflects the accelerating shift toward renewables, electrification, and grid modernisation, with close to **AED 2.2 trillion** channelled into clean energy.

2. UAE economic overview

The UAE economy maintained strong growth momentum during 2025, supported by a recovery in hydrocarbon activity and sustained expansion across non-hydrocarbon sectors. According to the International Monetary Fund, the UAE's real GDP growth is estimated at 4.8% in 2025 and projected to strengthen further to 5.0% in 2026, positioning the country among the fastest-growing economies in the Middle East and Central Asia. This performance reflects both improved conditions in the oil sector and the continued effectiveness of economic diversification efforts.



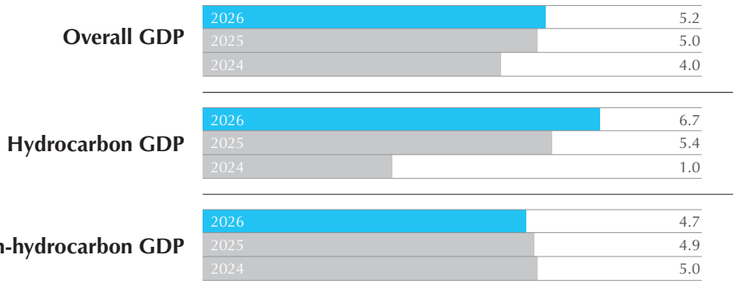
5.2%

Real GDP growth is projected for the UAE in 2026, reflecting continued economic momentum, according to the International Monetary Fund.

Sustained investment in real estate and infrastructure is expanding the built environment and economic activity, and we expect this to reinforce long term demand for essential services and utilities.

Projections published by the Central Bank of the UAE indicate that overall real GDP growth is expected to reach 5.0% in 2025 and 5.2% in 2026. Hydrocarbon GDP is forecast to grow by 5.4% in 2025 and 6.7% in 2026, reflecting higher production levels, while non-hydrocarbon GDP is projected to expand by 4.9% in 2025 and 4.7% in 2026, supported by construction, real estate, transport, trade, financial services, and tourism-related activity. This broad-based growth highlights the UAE's ability to generate economic momentum beyond the energy sector.

Real GDP growth in the UAE (%)



Sources: Quarterly Economic Review, Central Bank of the UAE, December 2025.

Investment in real estate and infrastructure continued to underpin non-hydrocarbon expansion, with large-scale residential, commercial, hospitality, and mixed-use developments progressing across multiple emirates. Ongoing investment in transport, aviation, and logistics infrastructure has further expanded the built environment and intensified economic activity in urban centres, reinforcing long-term demand for essential services and utilities.

Macroeconomic conditions remained supportive, with inflation contained at moderate levels and the financial system characterised by strong capitalisation and liquidity. According to the Central Bank, inflation is estimated at 1.3% in 2025 and projected to rise modestly to 1.8% in 2026, remaining well below global averages. At the same time, easing global monetary conditions have contributed to a more accommodative domestic interest-rate environment, supporting credit growth and long-term investment planning.

Looking ahead, the UAE's economic outlook remains underpinned by diversified growth drivers, policy continuity, and sustained public and private investment. While global uncertainties persist, the combination of robust GDP growth, contained inflation, and ongoing expansion of the non-hydrocarbon economy provides a stable foundation for long-term, infrastructure-led growth aligned with urban development and climate adaptation priorities.

4.7%

Non-hydrocarbon GDP growth is projected for the UAE in 2026, supported by construction, real estate, transport, trade, financial services, and tourism-related activity, according to the Central Bank of the UAE.

3. Global market for district cooling services (DCS)

The global market for district cooling services has gained increasing prominence as cities confront the combined pressures of rapid urbanisation, rising temperatures, and the need to improve energy efficiency within increasingly constrained power systems. According to the World Meteorological Organisation, 2025 is the second- or third-warmest year on record, continuing an exceptionally high warming trend that is intensifying cooling demand across urban regions worldwide. Cooling is now among the fastest-growing components of global electricity consumption, particularly in hot and high-density environments where conventional, decentralised systems exacerbate peak-load stress. In this context, industry bodies such as the International District Energy Association and Euroheat & Power highlight district cooling as a structurally efficient response, increasingly recognised as essential urban infrastructure rather than a discretionary, building-level service.

1.42 ^{0}C

Above pre-industrial levels – global mean temperature in January–August 2025, according to the World Meteorological Organisation.

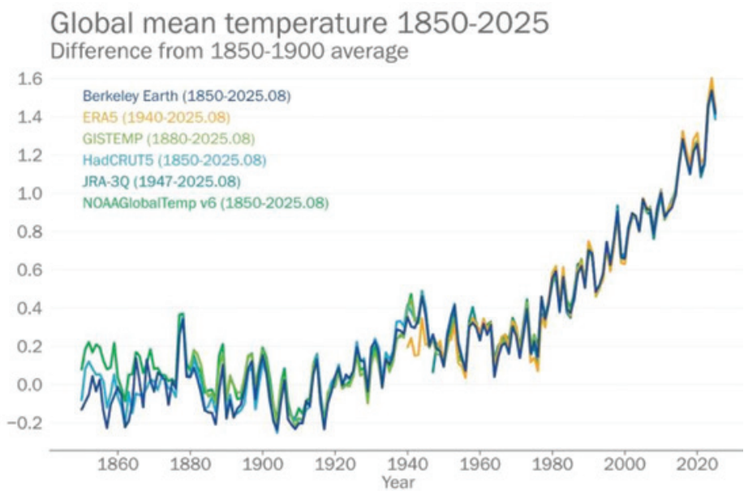
As urban density and climate pressures increase, we expect rising cooling demand to make district cooling essential for reducing energy use, managing peak loads, and supporting sustainable urban infrastructure.

Globally, adoption of district cooling has been strongest in regions characterised by high ambient temperatures, dense urban development, and large-scale master-planned projects. The Middle East remains the most established market, while parts of Asia and Europe have seen growing uptake in new urban districts, commercial hubs, and mixed-use developments. Industry associations highlight that most new capacity additions are linked to planned developments rather than retrofits, reflecting the importance of early integration of district cooling into urban design and infrastructure planning.

Reflecting these structural drivers, Fortune Business Insights estimates that the global district cooling market was valued at USD 31.16 billion in 2025 and is projected to grow from USD 33.15 billion in 2026 to USD 61.49 billion by 2034, implying a CAGR of 8.03% over the forecast period. The same source notes that the Middle East and Africa accounted for 41.52% of the global market in 2025, underscoring the concentration of district cooling adoption in hot-climate regions with large-scale master-planned urban development.

Growth drivers:

1. **Climate Pressure and Energy Transition Imperatives:** Rising global temperatures and increasingly frequent heat extremes have elevated cooling from a comfort-related service to a critical urban necessity. Cooling demand is now one of the fastest-growing components of global electricity consumption, intensifying pressure on power systems and emissions targets. In this context, energy-efficient cooling solutions have become central to climate mitigation and adaptation strategies. District cooling is increasingly recognised for its ability to materially reduce system-wide electricity consumption and carbon intensity compared with decentralised air-conditioning, aligning closely with global decarbonisation and energy transition objectives.
2. **Urban Density and Scale-Led Infrastructure Demand:** Rapid urbanisation, population growth, and the proliferation of high-density, mixed-use developments are reshaping cooling requirements in cities. As urban footprints expand vertically and horizontally, decentralised cooling solutions face limitations in efficiency, reliability, and peak-load management. District cooling offers a scalable infrastructure model capable of supporting dense urban environments, significant developments, and integrated communities, making it particularly suited to cities pursuing long-term, master-planned growth.
3. **Energy Efficiency and Grid Resilience Considerations:** Energy efficiency has moved beyond cost savings to become a system-level priority, particularly in regions experiencing rising electricity demand and peak-load stress. District cooling systems deliver efficiency gains through centralised production, load diversity, and optimised operations, enabling meaningful reductions in electricity consumption and peak demand. These attributes support grid stability, defer network upgrades, and improve overall energy resilience, which are increasingly crucial as electrification accelerates across economies.
4. **Digitalisation and Technology-Led Optimisation:** Advances in digital technologies are enhancing the performance and reliability of district cooling networks. The integration of data analytics, automation, and artificial intelligence is enabling predictive maintenance, real-time performance optimisation, and improved demand forecasting. Digital control systems allow operators to dynamically manage loads and optimise energy use, enhancing operational efficiency while reducing downtime and lifecycle costs. These technological developments are reinforcing the competitiveness and long-term viability of district cooling as a modern urban infrastructure solution.



Source: WMO

As urban density increases and climate pressures intensify, the need for efficient and resilient cooling solutions is becoming integral to urban infrastructure planning. District cooling is increasingly positioned at the intersection of sustainability, energy efficiency, and grid resilience, supported by policy frameworks and long-term urban development strategies. With cooling demand expected to rise structurally in heat-stressed cities, district cooling provides a scalable, system-level approach that enables cities to meet growing cooling requirements while managing energy consumption and environmental impact more effectively.

USD 61.49 billion

Projected global market size by 2034, implying a sustained long-term growth trajectory driven by climate adaptation and energy-efficient cooling adoption.

4. UAE market for district cooling services

USD 1 trillion+

The infrastructure and construction pipeline in the UAE, reflecting sustained large-scale urban development, according to Turner & Townsend.

The global market for district cooling services has gained increasing prominence as cities confronThe UAE is one of the most structurally attractive and mature district cooling markets globally, supported by climatic intensity, high urban density, and a planning-led infrastructure model. According to Turner & Townsend, the UAE is among the most active infrastructure markets worldwide, with over USD 1 trillion of construction and infrastructure projects currently planned or underway, a significant proportion of which relates to large-scale residential, commercial, hospitality, and mixed-use developments. Extended cooling seasons, consistently high ambient temperatures, and the prevalence of master-planned urban communities have elevated efficient cooling from a discretionary building service to a core infrastructure requirement. Within this development-led framework, district cooling aligns naturally with the UAE's urban form, offering a scalable, energy-efficient solution that can be embedded early into city planning and infrastructure design.

Macroeconomic and policy conditions in the UAE continue to provide substantial structural support for energy-efficient urban infrastructure. Under the UAE Green Agenda 2030, district cooling has been formally recognised as a priority solution within the Clean Energy & Climate Action pillar, specifically under the National Renewable Energy Programme, which explicitly calls for the *further dissemination of district cooling systems* as part of the country's integrated energy transition framework. This positioning reflects the role of district cooling in reducing electricity intensity, managing peak demand, and improving system-level efficiency in the built environment. Supported by coordinated planning and implementation led by institutions such as the Dubai Supreme Council of Energy and DEWA, district cooling is embedded in national strategies for sustainable urban development, climate adaptation, and long-term energy resilience, reinforcing its status as a core component of the UAE's infrastructure-led growth model.

According to MarkNtel Advisors, the UAE district cooling market continues to exhibit strong growth momentum, driven by sustained urban development and increasing penetration of centralised cooling across residential, commercial, and mixed-use developments. The market is projected to surpass 5.68 million tons of installed capacity by 2030, expanding at a compound annual growth rate of around 6.02% during the 2025–2030 period. Dubai remains the dominant demand centre, supported by its concentration of large master-planned communities, high-rise residential clusters, hospitality assets, and commercial districts. At the same time, Abu Dhabi and emerging urban zones are expected to contribute incremental capacity additions. Residential developments represent the largest end-use segment, reflecting population growth and the increasing preference for centralised cooling in high-density communities. At the same time, mixed-use and commercial projects provide stable base loads that enhance utilisation across district cooling networks.

As supportive macroeconomic and policy frameworks strengthen in the UAE, we see district cooling becoming a core infrastructure solution that improves energy efficiency, reduces peak demand, and supports sustainable urban development.

5.68 million tonnes

installed district cooling capacity projected for the UAE by 2030, reflecting continued market expansion driven by large-scale urban development.

4.0 million

population in 2025, underscoring Dubai's continued attractiveness as a global destination for living, working, and investment.

Dubai's journey toward sustainability

Dubai's sustainability journey continues to be underpinned by strong macroeconomic fundamentals, long-term urban planning, and a clear policy commitment to energy efficiency and clean growth. The emirate remains among the fastest-growing urban economies in the region, supported by a steadily expanding population base driven by sustained inflows of skilled professionals, entrepreneurs, and long-term residents. Dubai's population reached approximately 4.0 million in 2025, underscoring its continued attractiveness as a global destination for living, working, and investment, bolstered by a diversified residency framework and a competitive business environment.

Urban growth has been accompanied by sustained momentum in the real estate sector, which remains a key engine of economic activity and infrastructure expansion. Demand for residential, commercial, hospitality, and mixed-use developments has remained robust, supported by strong investor interest, favourable regulatory frameworks, and Dubai's positioning as a global lifestyle and business hub. The scale and density of new developments have further reinforced the need for efficient, system-level infrastructure solutions that can support long-term urban growth without proportionately increasing energy intensity.

The IDEA Board: recognition supporting EMPOWER's leadership in sustainable district cooling.

Long-term sustainability objectives are guided by the Dubai 2040 Urban Master Plan, which provides a structured framework for managing population growth, land use, and environmental preservation. The plan envisages a population of 5.8 million by 2040, while prioritising compact, people-centric urban development and preserving 60% of the emirate's land for natural reserves and rural areas. Expansion of tourism and hospitality zones, alongside enhanced infrastructure connectivity, is designed to support economic growth while improving overall quality of life.

Energy transition remains a central pillar of Dubai's sustainability agenda. The emirate has set ambitious clean energy targets, aiming for 25% of energy from clean sources by 2030 and 100% clean energy by 2050, supported by large-scale investments and enabling policy frameworks. Flagship initiatives such as the Mohammed bin Rashid Al Maktoum Solar Park underscore Dubai's leadership in renewable energy deployment. In contrast, dedicated funding mechanisms such as the Dubai Green Fund continue to mobilise capital toward clean energy and efficiency-focused projects.

Within this broader sustainability framework, district cooling plays a critical role in managing the built environment's energy footprint. Under the Demand Side Management Strategy led by the Dubai Supreme Council of Energy, district cooling is targeted to supply 40% of Dubai's cooling demand by 2030. It is expected to contribute approximately 13% of total electricity savings under the strategy. This reflects the growing recognition of district cooling as a system-level solution that can reduce peak electricity demand and improve overall energy efficiency in high-density urban settings.

Dubai's sustainability ambitions are further reinforced by its role as a global tourism and events hub. The emirate continues to host a growing number of international events annually, while maintaining its position as one of the world's most preferred destinations for travel, residence, and long-term relocation. Combined with progressive visa reforms and infrastructure-led growth, these dynamics continue to support Dubai's vision of sustainable urban expansion anchored in economic resilience, energy efficiency, and environmental stewardship.

Estimated cooling Demand Growth in Dubai (%)

2027	5.3%
2026	5.3%
2025	5.8%
2024	6.2%
2023	9.1%
2022	6.8%

Source: FTI Market Report; DC Pro Analysis

5.8 million

population targeted by 2040, under the Dubai 2040 Urban Master Plan, alongside preservation of 60% of land for natural and rural areas.

5. Company overview

Emirates Central Cooling Systems Corporation PJSC (EMPOWER) is a leading provider of district cooling services in the United Arab Emirates and globally, playing a key role in supporting energy efficiency and sustainable urban development. Established in 2003 by a Royal Decree, EMPOWER was created to address the growing cooling requirements of Dubai through centralised, large-scale district cooling solutions, aligned with the emirate's long-term urban and sustainability objectives.

EMPOWER's core business comprises the design, development, ownership, operation, and maintenance of district cooling plants and associated distribution networks. The Company produces chilled water at central plants and distributes it to customers through an extensive network of insulated underground pipelines, serving residential, commercial, hospitality, and mixed-use developments. This centralised model enables higher energy efficiency, optimised system performance, and reduced environmental impact compared with conventional, decentralised cooling systems.

Over the years, EMPOWER has built a diversified portfolio of district cooling projects across Dubai, supporting some of the city's most prominent and densely populated developments. Long-term customer relationships, infrastructure-scale assets, and a focus on reliability, operational efficiency, and service quality characterise its operations. EMPOWER continues to expand its network in line with urban growth and the increasing integration of district cooling into master-planned communities.

Sustainability is integral to EMPOWER's operating philosophy. District cooling contributes meaningfully to reducing electricity consumption and greenhouse gas emissions associated with cooling demand, supporting Dubai's broader energy efficiency and climate objectives. EMPOWER

complements this contribution by adopting advanced technologies, including thermal energy storage and digital systems, to enhance operational efficiency, optimise energy use, and improve the customer experience.

As a Public Joint Stock Company listed on the Dubai Financial Market, EMPOWER operates within a robust governance framework and remains closely aligned with Dubai's long-term infrastructure and sustainability agenda. Through its scale, technical expertise, and focus on efficiency-led growth, EMPOWER continues to strengthen its position as a critical enabler of sustainable cooling solutions in one of the world's most dynamic urban environments.

1,747
Buildings Served

90
District Cooling Plants

1.94M
RT Contracted Capacity

99.94%
Reliability (Around-the-clock availability)

156,000
Customers

1.66M
RT Connected Capacity

Market leadership and scale

EMPOWER is recognised as the world's largest district cooling services (DCS) provider by the International District Energy Association. With the highest market share of Dubai's district cooling market, EMPOWER plays a pivotal role in shaping the city's cooling infrastructure. The Company operates 90 district cooling plants and serves 156,000 corporate and individual customers across 1,747 buildings. EMPOWER's connected capacity exceeds 1.66 million refrigeration tons (RT), and its contracted capacity surpasses 1.94 million RT, highlighting its extensive reach and operational capabilities.

EMPOWER continues to serve as a core district cooling partner across many of Dubai's most critical and high-profile developments, reflecting the scale, reliability, and embedded nature of its operations within the emirate's urban landscape. Its operating portfolio spans strategic infrastructure and mixed-use destinations including Dubai International Airport, Dubai International Financial Centre, Burj Al Arab, Dubai Healthcare City, Business Bay, Palm Jumeirah, Ain Dubai and Bluewaters Island, alongside large residential and commercial communities such as Jumeirah Lake Towers, Jumeirah Beach Residence, Discovery Gardens, Ibn Battuta Mall, Jumeirah Village South, Dubai Land Residential Complex, Meydan, Dubai Maritime City and the Deira Waterfront.

This diversified, geographically balanced asset base underscores EMPOWER's role as a long-term infrastructure partner in Dubai's growth story, with operations closely aligned with the emirate's transport hubs, financial districts, tourism assets, and large-scale residential developments.

#1 in the world (In terms of connected capacity)
District Cooling Services Provider Rank

With over 1.66 million RT connected capacity and presence across 1,747 buildings, we have built scale that positions us as a core infrastructure partner in Dubai's growth story.

EMPOWER has built strong relationships with Dubai's key master developers, securing exclusive rights as the sole district cooling service (DCS) provider. The Company emphasises long-term service contracts, which allow it to sustain a large and stable client base by providing exclusive DCS to major real estate developments. These contracts ensure ongoing business continuity once developments are complete, offering a secure, recurring revenue stream through long-term agreements. Notably, the service's exclusivity remains intact even if the contracted developments are sold or leased, further reinforcing EMPOWER's business model's stability.

EMPOWER's growth trajectory is structurally anchored in a disciplined combination of targeted acquisitions, network densification, and the integration of flagship master-planned developments. A foundational milestone was the 2013 acquisition of Palm District Cooling, which added 369,000 RT of cooling capacity and secured our presence in Dubai's most iconic destinations. This momentum was accelerated in 2020 through strategic integrations serving Meydan and Nakheel-led developments, significantly expanded the Company's footprint.

In 2023, the Company further solidified its dominance by acquiring Dubai International Airport's cooling assets for AED 1.1 billion, adding 110,000 RT to serve the world's busiest aviation hub. Demonstrating our ability to capture high-value demand beyond traditional concession perimeters, 2025 saw the execution of two landmark agreements outside our existing master concessions: Wasl's 'The Island' project (23,853 RT) and DMCC's 'Uptown Dubai' Phase 2 (24,675 RT). These strategic wins reinforce our long-term revenue visibility and ensure that EMPOWER remains one of the primary utility anchor for Dubai's most prestigious vertical expansions.

In recent years, EMPOWER has continued to scale its portfolio by adding new projects and network extensions across developments, reinforcing its position as the district cooling partner of choice for Dubai's evolving built environment. These expansions are typically underpinned by long-term exclusivity arrangements with master developers, providing high visibility, on-demand visibility, predictable cash flows, and long asset lives. Collectively, this disciplined approach to growth has strengthened EMPOWER's market leadership while aligning capacity additions with Dubai's long-term urban development and sustainability objectives.

Commitment to sustainability

Sustainability remains integral to EMPOWER's operating model, with district cooling positioned as a system-level solution to reduce the energy intensity of urban cooling. Centralised cooling delivers materially higher efficiency than conventional, decentralised air-conditioning, with electricity consumption typically 0.9-1.0 kW per refrigeration ton (RT), compared with 1.6-1.8 kW per RT for traditional systems. These efficiency gains translate into lower peak electricity demand and reduced carbon emissions at scale, reinforcing district cooling's role in supporting Dubai's long-term energy transition objectives.

EMPOWER's sustainability initiatives are closely aligned with the Demand Side Management Strategy led by the Dubai Supreme Council of Energy, which aims to have 40% of the emirate's cooling demand met through district cooling systems by 2030. Through its expanding network and operational scale, EMPOWER continues to contribute meaningfully toward this objective. In prior years, the Company's operations have delivered substantial electricity savings, underscoring the cumulative environmental impact of centralised cooling across significant urban developments.

Water efficiency forms another essential pillar of EMPOWER's sustainability agenda. The Company has progressively increased the use of Treated Sewage Effluent (TSE) for condenser cooling, supported by investments in advanced treatment and reverse osmosis systems. This approach reduces reliance on fresh water and supports broader resource-conservation goals. EMPOWER continues to expand TSE utilisation in it's district cooling, reflecting a long-term commitment to minimising water intensity in operations.

In parallel, EMPOWER continues to enhance the environmental performance of its asset base through targeted plant upgrades, including the deployment of higher-efficiency chillers and the adoption of low-global-warming-potential refrigerants. These initiatives improve operational efficiency, reduce lifecycle emissions, and ensure alignment with evolving international environmental standards. Collectively, these measures reinforce EMPOWER's position as a key enabler of sustainable cooling infrastructure, supporting Dubai's broader ambitions for energy efficiency, climate resilience, and responsible urban growth.

Technological innovation

EMPOWER leverages technology across its operations to enhance efficiency, reliability, and service quality. Central to this approach is the Company's integrated Command and Control Centre, which enables real-time monitoring of plant operations and network performance, supporting informed decision-making and stable 24/7 service delivery across its district cooling portfolio.

Technology also underpins EMPOWER's approach to asset management and operational optimisation. Data analytics and automation tools support predictive maintenance, enabling early identification of equipment issues, reducing unplanned downtime, and improving asset availability. These capabilities are critical in maintaining the performance and longevity of large-scale infrastructure assets.

Energy efficiency is further strengthened by deploying Thermal Energy Storage (TES) systems, which enable cooling production to be shifted to off-peak periods, reducing peak electricity demand and improving overall system efficiency. Centralised metering and monitoring systems provide enhanced visibility into cooling loads, water usage, and plant performance, enabling continuous optimisation of resource utilisation. Ongoing upgrades to high-efficiency chillers further support operational performance and align with energy-efficiency objectives.

Complementing its operational systems, EMPOWER has enhanced its digital customer interface through a dedicated customer application and online platforms. These tools improve access to billing information, consumption data, and service requests, enhancing transparency, responsiveness, and overall customer experience. Together, these technology-led initiatives enable EMPOWER to operate its district cooling infrastructure efficiently and reliably while meeting evolving service and sustainability expectations.

Strategy 2025 – optimising the future of an intelligence-led utility

Fiscal year 2025, capacity augmentation continued across the network, even as the Company embedded intelligence-led, efficiency-driven optimisation across existing operations. Alongside the expansion of physical infrastructure, the Company intensified its focus on enhancing asset productivity, improving operating margins, strengthening system reliability, and reducing environmental intensity per unit of output.

The 2025 theme, **"Resilient Growth, Optimising the Future,"** therefore captures a synchronised dual trajectory: sustained infrastructure expansion combined with institutionalised, technology-enabled value extraction. Together, these reinforce EMPOWER's long-term competitiveness while enhancing economic, operational, and environmental performance across its portfolio.

Core strategic pillars in execution

The Company's performance in 2025 was dictated by four primary strategic pillars designed to ensure long-term value creation and policy alignment:

- **Smart and Resilient Growth:** EMPOWER successfully converted structural demand into predictable, annuity-style cash flows. Total connected capacity ascended to 1.66 million RT, supported by expanded coverage to 1,747 buildings. Contracted capacity reached 1.94 million RT, providing high visibility for future revenue streams. Growth was further diversified through the regional expansion of the Company's subsidiary, ELIPS, which secured contracts in Saudi Arabia, Kuwait, and Egypt.

- **Innovation Leadership:** The integration of artificial intelligence (AI) and machine learning (ML) emerged as a critical enabler of margin resilience. In 2025, EMPOWER intensified its rollout of ML-based plant optimisation, delivering expected energy savings of approximately 8%. This technical maturity was recognised internationally by the International District Energy Association (IDEA) with an Innovation Award for plant optimisation.

- **Operational Excellence:** The Company maintained a disciplined mandate for excellence, achieving a network reliability rate of 99.99%. Operational performance remained strong, supported by disciplined plant optimisation and continued focus on reliable utility standards. The commencement of operations at the Deira Waterfront plant (39,000 RT) serves as a benchmark for adding significant capacity while maintaining rigorous utility standards.

- **Sustainability Leadership:** Sustainability is embedded as a core operational principle rather than a peripheral initiative. EMPOWER aligns with the UAE Net Zero 2050 strategy and the Dubai Demand Side Management (DSM) Strategy 2030, which target 40% district cooling penetration. In 2025, the Company secured the **MAJRA Gold Impact Seal**, confirming its best-in-class sustainability governance for institutional stakeholders.

Resource stewardship and natural capital

As a primary utility anchor, EMPOWER treats water stewardship as a fundamental component of operational resilience. In 2025, total water consumption was supported by an expanded Reverse Osmosis (RO) capacity of 24,969 m³/day, allowing the Company to mitigate risks associated with freshwater scarcity. The Company's electrical efficiency directly supports Dubai's objective to reduce energy consumption by 30% by 2030.

Global standardisation and thought leadership

EMPOWER continues to lead the global district cooling agenda through its strategic partnership with the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE). In 2025, this collaboration reached a milestone with the finalisation of the co-development of a unified Global District Cooling Standard, establishing EMPOWER's technical specifications as the international benchmark for utility infrastructure. Furthermore, as a Diamond Sponsor of IDEA, the Company utilises global platforms to advocate for legislative frameworks that support the transition toward low-carbon urban energy systems.

Conclusion

The strategies executed in 2025 have solidified EMPOWER's position as a sophisticated intelligence-led utility compounder. By linking environmental performance directly to its annuity-style cash flows, the Company has established a resilient framework that balances urban necessity with long-term shareholder value, remaining on a credible trajectory to reach 1.86 million RT in connected capacity by 2027.

6. Financial performance

- Revenue grew by 4.9%, reaching AED 3,419 million, driven by a robust, committed connected load of 1.66 million RT.
- EBITDA rose by 6.3% to AED 1,649 million, with EBITDA margins standing at 48.2% for 2025.
- EBIT increased by 6.7%, amounting to AED 1,273 million.
- In 2025, EMPOWER distributed AED 875 million in cash dividends, paid in two equal instalments of AED 437.5 million in April and October, in line with its annual dividend commitment

AED 1,273 million
EBIT

AED 1,649 million
EBITDA

AED 3,419 million
Revenue

AED 1,004 million
Profit After Tax

Consolidated statement of income

For the year ended 31 December 2025

	2025 (AED'000)	2024 (AED'000)
Revenue	3,419,304	3,260,489
Interest income on financial assets at amortised cost	58,307	59,151
Cost of sales	-1,989,283	-1,917,497
Gross profit	1,488,328	1,402,143
General and administrative expenses	-256,383	-235,119
Provision for expected credit losses	16,137	17,482
Other income	24,430	7,938
Operating profit	1,272,512	1,192,444
Finance income	55,347	54,027
Finance costs	-224,698	-248,139
Finance (costs)/income - net	-169,351	-194,112
Profit before tax	1,103,161	998,332
Income taxes	-99,226	-90,097
Profit after tax	1,003,935	908,235

Financial Performance Analysis

EMPOWER delivered a solid financial performance for the year ended 31 December 2025, demonstrating resilience and growth across key metrics. The Company's revenue increased by 4.9% to AED 3,419 million, compared to AED 3,260 million in 2024. This growth reflects the strong base of committed connected load and consistent demand for district cooling services.

Management discussion and analysis

4.9% YoY growth

Revenue Growth: With revenue reaching AED 3,419 million in 2025, an increase of 4.9% from the previous year, EMPOWER demonstrates strong financial performance and a steady growth trajectory.

7.4% CAGR Growth

EBITDA Growth With EBITDA recording a compound annual growth rate (CAGR) of 7.4% between 2020 and 2025, EMPOWER reflects sustained operational strength and consistent improvement in profitability.

6.2% compounded growth since 2020

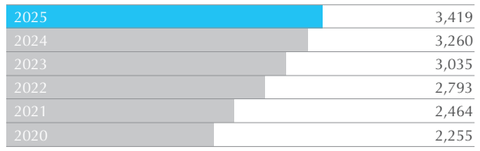
Connected Capacity Expansion: EMPOWER operates 1.66 million RT of cooling capacity in Dubai, with compounded growth of 6.2% since 2020, driven by long-term concessions and strategic partnerships.

8.7%

CAGR 2020 to 2025

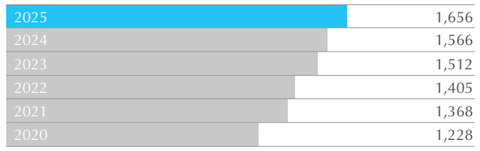
Revenue Model Resilience: EMPOWER's revenue model, anchored by a significant committed load and high operational efficiency, has driven consistent year-over-year revenue growth of 4.9% to 13.3% since 2020. This resilience is evidenced by a compounded annual growth rate (CAGR) of 8.7% achieved between 2020 and 2025, a trajectory underpinned by long-term concession agreements and strategic partnerships that ensure stable and recurring cash flows.

Revenue (AED million)



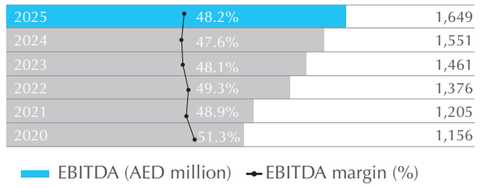
Its strong revenue model is underpinned by long-term concessions with various master developers and builders, ensuring a stable, committed load. Driven by robust operating performance, the Company has maintained consistent growth momentum, with annual revenue increasing from 3% in 2020 to **4.9%** in 2025, reflecting a compounded growth rate of **8.7%** over the same period.

Connected load (kRT)



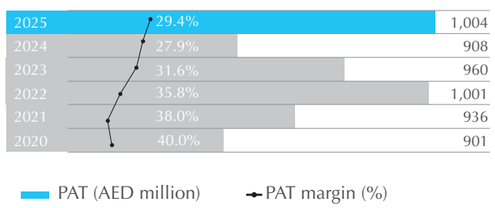
EMPOWER's connected load capacity has grown significantly from 1,228 kRT in 2020 to 1,656 kRT in 2025, achieving a compound annual growth rate (CAGR) of approximately 6.2%. This growth highlights the Company's strategic focus on expanding its network and meeting the increasing demand for district cooling services in Dubai.

EBITDA & EBITDA margin



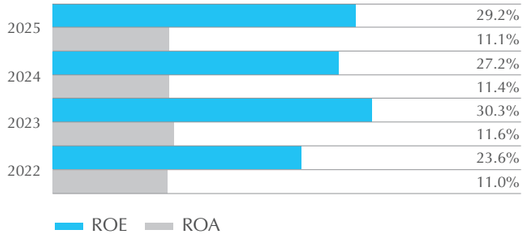
EMPOWER has demonstrated consistent EBITDA growth over recent years, increasing from AED 1,156 million in 2020 to AED 1,649 million in 2025, achieving a compound annual growth rate (CAGR) of approximately 7.4%. The Company has also maintained stable EBITDA margins, reflecting its ability to balance operational efficiency and profitability. The healthy 48.2% margin in 2025 underscores EMPOWER's focus on cost control and revenue growth, ensuring sustained financial strength.

PAT & PAT margin



EMPOWER's profitability has maintained a steady trajectory with a compound annual growth rate (CAGR) of 2.2% in recent years, as net profit after tax (PAT) rose from AED 901 million in 2020 to AED 1,004 million in 2025. Although PAT margins moderated from 40.0% in 2020 to 27.9% in 2024 due to structural adjustments and the implementation of corporate taxation, a definitive recovery to 29.4% was achieved in 2025. This improvement reflects the Company's strategic commitment to operational efficiency and to extracting greater value from its scaled asset base. By institutionalising intelligence-led utility management, the Company continues to enhance shareholder value while successfully navigating evolving cost and fiscal structures.

ROE & ROA



EMPOWER's robust operational and financial performance reflects its strong market position and ability to navigate a dynamic economic environment effectively. The Company remains focused on driving sustainable growth and delivering value to its stakeholders.

Summary of financial position

as at the end of the financial period

	2025 (AED'000)	2024 (AED'000)
ASSETS		
Non-Current Assets		
Property, plant and equipment	7,194,990	6,995,160
Right-of-use assets	1,878	5,513
Intangible assets	315,668	327,825
Financial assets at amortised cost	1,284,009	1,304,838
Financial assets at fair value through other comprehensive income	55,778	55,709
Investment Properties	170,793	118,015
Deferred tax assets	15,077	16,228
Investment in a joint venture	-	307
Finance (costs)/income - net	**9,038,193**	**8,823,595**
Current Assets		
Inventories	55,718	53,789
Trade and other receivables	303,818	275,280
Due from related parties	39,353	18,076
Financial assets at amortised cost (current)	20,830	19,949
Financial assets at fair value through profit or loss	45,461	25,466
Term deposits	57,704	30,264
Cash and cash equivalents	2,255,745	1,936,627
	2,778,629	**2,359,451**
TOTAL ASSETS	**11,816,822**	**11,183,046**
EQUITY AND LIABILITIES		
Equity		
Equity attributable to equity shareholders of the Company		
Share capital	1,000,000	1,000,000
Statutory reserve	500,000	500,000
Other reserves	13,809	18,768
Contributed capital	82,190	82,190

Management discussion and analysis

	2025 (AED'000)	2024 (AED'000)
Retained earnings	1,714,934	1,596,632
	3,310,933	**3,197,590**
Non-controlling interests	186,378	175,745
Total Equity	**3,497,311**	**3,373,335**
LIABILITIES		
Non-Current Liabilities		
Bank borrowings	5,500,000	5,496,219
Government grant	299,998	302,778
Provision for employees' end-of-service benefits	70,893	57,646
Retentions payable	15,835	16,189
Lease liabilities (non-current)	-	159
	5,886,726	**5,872,991**
Current Liabilities		
Trade and other payables	2,165,056	1,677,637
Due to related parties	161,670	159,372
Current tax liabilities	97,585	88,953
Bank borrowings	3,418	2,196
Government grants	3,170	3,170
Lease liabilities	1,886	5,392
	2,432,785	**1,936,720**
TOTAL LIABILITIES	**8,319,511**	**7,809,711**
TOTAL EQUITY AND LIABILITIES	**11,816,822**	**11,183,046**

Financial Position

- The Company maintains a strong financial position with a total asset base of AED 11,817 million.
- A gearing ratio of 48.2% at the end of the financial period reflects ample capacity for future expansion.
- The net debt-to-EBITDA ratio stands at 1.9x as of the end of 2025, well below the healthy target leverage range of 3.0x–4.0x.

	2025 (AED Mn)	2024 (AED Mn)
Loan Outstanding	5,503	5,498
Less: Cash and cash equivalents (includes term deposits)	2,313	-1,967
Net Debt Outstanding	3,190	3,532
EBITDA	1,649	1,551
Leverage Ratio	1.9x	2.3x

	2025 (AED'000)	2024 (AED'000)
Cash flows from operating activities		
Profit before tax	1,103,161	998,332
Adjustments for:		
Depreciation of property, plant and equipment	352,199	342,332
Depreciation of right-of-use assets	5,361	4,592
Depreciation on Investment Properties	6,317	-
Amortisation of intangible assets	12,157	12,157
Reimbursement of financial assets	22,463	22,463
Share of loss from joint venture	191	-
Amortisation of arrangement fee	3,781	3,781
Impairment charge of project costs	-	919
Reversal of Impairment of trade receivables	-16,137	-17,482
Gain on modification of right-of-use assets	-	-89
Loss on disposal of property, plant and Equipment		33
Provision for employees' end-of-service benefits	9,164	8,786
Interest on lease liabilities	164	230
Interest income earned on financial assets at amortised cost.	-58,307	-59,151
Finance income	-55,347	-54,027
Interest expense on bank borrowings	220,753	244,128
Government grant income	-2,780	-2,780
Operating cash flows before changes in working capital and payment of employees' end-of-service benefits	**1,603,140**	**1,504,224**
Changes in Working Capital		
Inventories	-1,929	-10,059
Financial Assets	55,792	55,792
Trade and other receivables	-21,880	46,828
Due from related parties	-21,277	-9,255
Trade and other payables	336,170	215,832
Due to related parties	2,414	23,419
Cash generated from operations	**1,952,430**	**1,826,781**
Payment of employees' end-of-service benefits.	-1,435	-2,379
Income tax paid	88,953	-
Net cash generated from operating activities	**1,862,042**	**1,824,402**
Cash flows from investing activities		
Acquisition of a subsidiary	-	-159
Additions to property, plant and equipment	-440,039	-306,781
Short-term deposits redeemed/(invested)	-26,900	-2,600
Investment in financial assets at fair value through profit and loss	-19,829	-15,454
Finance income received	54,641	52,873
Net cash used in investing activities	**-432,127**	**-272,121**
Cash Flow from Financing Activities		
Proceeds from bank borrowings net of arrangement fee	6,749,358	4,749,358
Repayment of bank borrowings	-6,750,000	-3,750,000
Dividends paid	-875,000	-850,000
Principal element of lease payments	-5,391	-4,552
Interest element of lease payments	-164	-230

	2025 (AED'000)	2024 (AED'000)
Finance costs paid	-229,600	-299,010
Net cash (used in)/generated from financing activities	**1,110,797**	**-154,434**
Net increase in cash and cash equivalents	**319,118**	**1,397,847**
Cash and cash equivalents at the beginning of the year	1,936,627	538,780
Cash and cash equivalents at the end of the year	**2,255,745**	**1,936,627**

Funds from Operations

- The Company maintained a healthy conversion ratio of 118.4% (Funds from Operations: AED 1,952 million / EBITDA: AED 1,649 million), reflecting the effectiveness of its robust collection mechanisms.

Investing Activities

- In 2025, Emirates Central Cooling Systems Corporation PJSC invested AED 440 million in capital expenditure, including AED 407 million in plant additions, while expanding contracted capacity through new project agreements. The Company also added RO capacity, enhanced AI and smart metering capabilities, and refinanced debt to strengthen its balance sheet and funding flexibility.

Financing activities

- The Company distributed a record AED 875 million in dividends during the 2025 fiscal year, underscoring its commitment to rewarding shareholders through stable and predictable payouts. This total includes a final dividend of AED 437.5 million for the 2024 financial year, paid in April 2025, and an additional AED 437.5 million as an interim dividend for the first half of 2025, distributed in October. Throughout the reporting period, EMPOWER maintained rigorous capital discipline, having incurred and paid AED 229.6 million in interest on its bank borrowings. This figure reflects the 's optimised debt structure and its ability to service obligations while funding scalable expansion.

Quarterly Performance – 2025

- Owing to seasonal variations, the Company's quarterly performance fluctuated throughout the year. The table below summarises the Company's quarterly performance for 2025.

Financial Highlights 2025 - Quarterly

	Q1	Q2	Q3	Q4	2025
Revenue (AED m)	540	913	1,133	833	3,419
EBITDA (AED m)	296	423	450	479	1,649
EBITDA Margin	54.8%	46.3%	39.7%	57.6%	48.2%
EBIT (AED m)	204	327	357	385	1,273
Consumption Revenue % to Total Revenue	40.8%	60.4%	65.2%	49.6%	56.3%
Connected load (Cumulative k RT)	1,581	1,604	1,628	1,656	1,656

Beyond Dubai, we are actively pursuing inorganic growth through strategic acquisitions and joint ventures in high-potential GCC markets.

7. Future Business Strategies and Outlook

Roadmap: Scalable and Resilient Expansion

Our long-term growth trajectory is anchored in a clear and credible roadmap, which seeks to harmonise our infrastructure with Dubai's vertical urban evolution:

- **Capacity Targets:** We are on a disciplined path to reach **1.86 million RT** in connected capacity by 2027.
- **Regional Footprint:** Beyond Dubai, we are actively pursuing inorganic growth through strategic acquisitions and joint ventures in high-potential GCC markets.

Intelligence-led utility stewardship

The Company is institutionalising the Fourth Industrial Revolution (4IR) as its primary engine for margin protection and cost-to-serve excellence. Our forward strategy relies on the systematic rollout of ML-based plant optimisation, which is expected to deliver an additional 8% in annual energy savings. Through our state-of-the-art Command Control Centre (CCC) and the adoption of AI-driven predictive analytics, we will continue to shift from reactive event management to a proactive culture of "preventing patterns," ensuring a network reliability rate of 99.99%.

Sustainability as a Competitive Moat

- Our future outlook is fundamentally anchored in the national decarbonisation mandate. EMPOWER serves as a primary enabler of the UAE Net Zero 2050 strategy and the Dubai DSM Strategy, which aim to achieve 40% district cooling penetration by 2030.
- **Net Zero Commitment:** We are committed to operating Net Zero plants by 2050, increasing our reliance on renewable energy and Treated Sewage Effluent (TSE).
- **Water Stewardship:** To mitigate freshwater scarcity risks, we will continue to expand our Reverse Osmosis (RO) capacity, with a strategic goal to reduce freshwater usage in operations
- **Global Benchmarking:** Through our partnership with ASHRAE, we will lead the adoption of the first Global District Cooling Standard in 2025, ensuring EMPOWER's technical specifications remain the international benchmark for urban infrastructure.

Capital Discipline and Shareholder Value

The cornerstone of our investment proposition remains the exceptional durability of our annuity-style cash flows. Our future strategy is supported by a modular asset approach to capital expenditure, with an estimated AED 2.5 billion required over the next five years to support growth initiatives. This disciplined financing model ensures that we maintain a net debt-to-EBITDA ratio well within healthy levels while simultaneously delivering predictable, rewarding returns to our shareholders. By converting structural demand into multi-decade contracted revenue, EMPOWER remains positioned with a resilient, defensive growth profile, fundamentally de-risked from cyclical volatility.

8. 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. They 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 reflect our judgments and expectations regarding the development of our business, several risks, uncertainties, and other 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. 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.

Responsibility

02.

Sustainability and responsible value creation

We deliver resilient growth by integrating sustainability as a structural economic lever. This section explores our environmental stewardship and social impact, illustrating how our commitment to decarbonisation enhances margin quality and long-term return stability for our intrinsic investors.

Sustainability framework

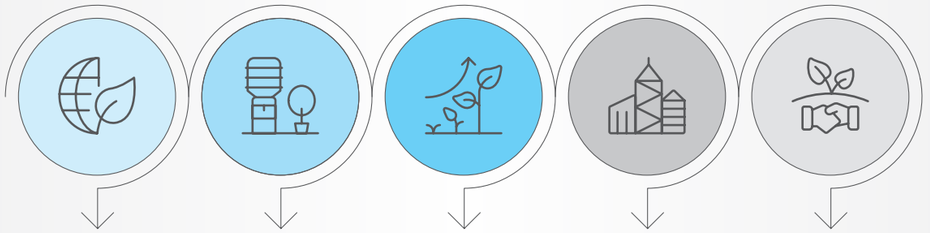
Clear priorities, accountable action and measurable outcomes

We are committed to transitioning our district cooling operations towards Net Zero plants by 2050, aligning growth with the UAE's long-term decarbonisation pathway.

Our approach to sustainability

EMPOWER's ESG approach is fundamentally anchored in the global imperatives of sustainable cities, energy efficiency, and climate action. Our business model is designed to support the sustainable urban evolution of the emirate by providing district cooling solutions that reduce electricity consumption by up to 50% compared to traditional methods. In 2025, we intensified our focus on technology-led optimisation, integrating machine learning and artificial intelligence into our plant operations to deliver ~8% in expected energy savings. This shift ensures that our capacity expansion, which reached a total connected load of 1.66 million RT across 1,747 buildings in 2025, remains perfectly synchronised with and contributes to the transition to a low-carbon economy.

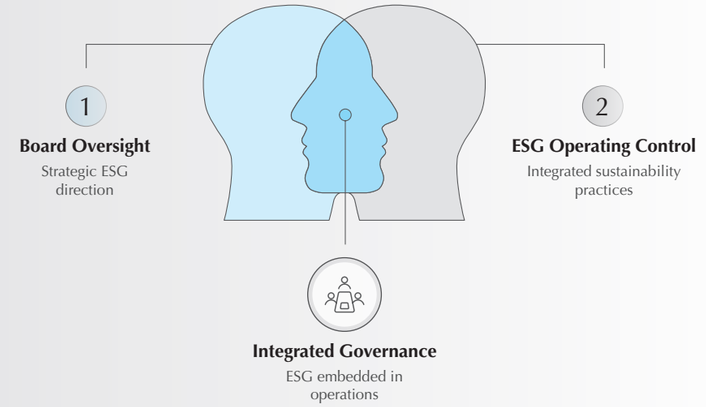
Sustainability thesis and value creation



Governance structure for sustainability

The integrity of our sustainability framework is upheld by robust board-level oversight, primarily through the Nomination, Remuneration and ESG (NR & ESG) Committee[NI2.1]. ESG is not treated as a peripheral function but is integrated into our "Operating Philosophy," where sustainability metrics, are treated as foundational operating controls. This commitment to excellence and transparent governance was independently validated in 2025 with the receipt of the MAJRA Gold Impact Seal, the highest federal honour for sustainability and CSR practices in the UAE. This seal serves as a testament to our governance maturity and our dedication to supporting national sustainability priorities.

The synergy of Governance, ESG and External Validation



Sustainability framework

EMPOWER awarded the MAJRA Gold Impact Seal for sustainability and CSR impact.

National and international alignment

EMPOWER serves as an important engine driving the UAE Net Zero 2050 strategy and the Dubai Clean Energy Strategy 2050. We have elevated our position as a global leader in the district cooling sector by actively sharing our pioneering Emirati experience on the international stage. Our collaboration with the United Nations Environment Programme (UNEP) and its Cool Coalition initiative, as well as our special advisory role to UNEP's global missions on District Cooling, underscores our commitment to combating climate change worldwide. Furthermore, our strategic partnership with ASHRAE on various initiatives, notably the development of a unified global standard for district cooling and next-generation district cooling systems, ensures that EMPOWER's technological advancements set the benchmark for best practices worldwide.

We share our district cooling expertise globally, contributing to international standards and collective climate action.

Policy framework and asset integrity

EMPOWER maintains an evolved policy architecture that ensures operational reliability and resource protection. Our Integrated Management System is certified to international standards, including ISO 9001 (Quality), ISO 14001 (Environment), and ISO 45001 (Health and Safety). In 2025, we successfully renewed these certifications, alongside our ISO 27001:2022 Information Security certification, ensuring the highest standards of data privacy and cyber resilience for our nearly 156,000 customers. These policies are aligned with the "Sustainable Utility Operations and Strategic Impact Framework," which guides our performance across critical areas such as water stewardship and workforce health. In 2025, our safety culture was evidenced by achieving 7.52 million working man-hours with zero internal fatalities, despite one reported contractor Lost Time Injury (LTI).

Strategic targets

Our sustainability commitments are defined by a transparent and credible trajectory. We are on a definitive path to scale our connected capacity to 1.86 million RT by 2027, ensuring our growth keeps pace with Dubai's vertical expansion while delivering on our decarbonisation mandate. Central to our long-term goals is the ambition to achieve Net Zero plants by 2050. To reach this objective, we are increasing our reliance on renewable energy and Treated Sewage Effluent (TSE), which already accounted for 9.22% of our water usage in 2025. We continue to expand our Reverse Osmosis (RO) capacity, which has reached 24,969 m³/day, with a YoY increase of 17%, by the end of 2025, to strengthen the emirate's water security strategy and reduce freshwater dependency.

We are committed to progressively reducing freshwater dependency by increasing the use of Treated Sewage Effluent and recycled water across our operations.

ESG Targets and 2025 performance review

ESG Pillar	Strategic target	2025 performance	Variance and contextual assessment
Environmental	Achieve Net Zero plants by 2050 through full reliance on renewable energy and Treated Sewage Effluent (TSE).	Awarded the MAJRA Impact Seal (Gold tier), reflecting federal recognition of sustainability and governance maturity. Achieved 9.22% TSE/ recycled water usage.	**On track.** 2025 marked a consolidation phase, embedding AI-enabled efficiency optimisation into the core utility operating model.
Environmental	Maintain disciplined operating efficiency across the network.	Operating efficiency remained strong during the year.	**On track.** Intelligence-led optimisation and machine learning applications supported continued efficiency improvements.
Environmental	Strengthen water stewardship across operations.	Continued progress in water stewardship, supported by 9.22% TSE/recycled water usage and expanded RO capacity.	**On track.** Continued progress reflects disciplined resource management and focus on reducing freshwater dependency.
Environmental	Embed systematic emissions avoidance aligned with the UAE Net Zero 2050 pathway.	Approximately 1.08 million tonnes of CO_2 mitigated annually.	**Consistent.** Connected capacity of 1.66 million RT remained aligned with decarbonisation objectives and low-carbon urban growth.
Social	Increase national talents in the workforce.	31.27% Emiratisation sustained; Emirati women represent 61% of the administrative female workforce.	**On track.** Focus continues on high-quality professional development, with 555 employees upskilled during the year.
Social	Maintain zero fatalities and minimise workplace injuries through rigorous safety management.	Zero fatalities were sustained across all operations during the year. However, three lost time injuries (LTIs) were reported by Empower and a contractor.	**Performance monitored.** Delivered 7.52 million working man-hours, supported by 1,857 HSE inspections during the year, with continued focus on strengthening risk controls following 3 LTIs recorded during the period.
Social	Achieve complete digitalisation of customer services by 2030.	Reached 75% digital adoption penetration.	**On track.** Digital transactions increased by 10% following the successful launch of the EMPOWER Mobile App.
Governance	Maintain full compliance with ISO 27001:2022and the Government of Dubai's Information Security Regulations.	Full compliance maintained; surveillance audits completed successfully.	**Sustained.** Renewals of ISO 9001, ISO 14001 and ISO 45001 further reinforce institutional control and governance integrity.
Economic	Scale connected capacity to 1.86 million RT by 2027.	Achieved 1.66 million RT connected capacity.	**On track.** Contracted pipeline strengthened to 1.94 million RT, following the signing of 163 new long-term agreements during 2025.

Sustainability oversight

Oversight that protects long-term value

UNSDGs aligned:	Material Issues	GRI Alignment
8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS; 17 PARTNERSHIPS FOR THE GOALS	*18; 19; 22; 23*	*GRI 2-9, GRI 2-12, GRI 2-13, GRI 2-14*

Sustainability oversight at EMPOWER is built into corporate governance and operating management so that decisions on environmental, social and compliance priorities are taken with the same discipline as decisions on service continuity, risk and performance. This structure connects Board direction to operational execution through clear accountabilities, routine performance reporting, real-time monitoring systems and structured assurance. The outcome is practical: sustainability commitments are governed in a way that supports reliable district cooling delivery at scale and strengthens long-term resilience.

Oversight connects sustainability priorities to the governance and control systems that protect service continuity and long-term value.

Board oversight that sets direction and strengthens accountability

GRI 2-9, GRI 2-12, GRI 2-13, GRI 2-14, GRI 2-19, GRI 2-20

The Board of Directors holds ultimate responsibility for EMPOWER's strategic direction, including the frameworks that govern risk management, internal control and compliance. Sustainability oversight therefore sits within Board-level stewardship of value creation and business continuity.

In 2024, EMPOWER recomposed the NR&ESG Committee in line with revised Corporate Governance Guides and amendments issued by the Capital Market Authority (CMA). The committee expanded to five members, strengthening the breadth and depth of ESG oversight.

In 2025, the governance structure guiding this oversight was refreshed through the election of a new Board of Directors on 9 October 2025 for the 2025–2028 term, ensuring continuity of governance accountability as EMPOWER progressed through a year of continued operational scale and heightened stakeholder expectations.

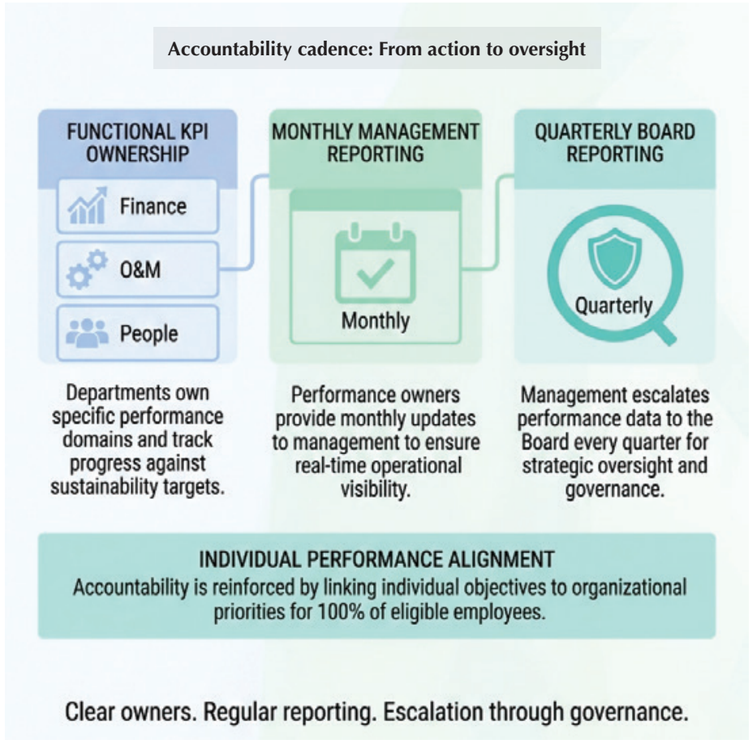
Sustainability direction and accountability are anchored at Board level through the NR&ESG Committee's mandate over strategy, reporting, alignment and remuneration linkage.

Executive ownership that converts direction into delivery

GRI 2-12, GRI 2-13, GRI 2-24

Executive leadership drives the translation of Board direction into operational delivery. The CEO leads day-to-day operational management and implements business plans that incorporate sustainability goals, ensuring ESG priorities are executed through operational decisions, resource allocation and performance discipline.

sustainability oversight



A dedicated sustainability team supports sustainability development and reporting under the guidance of the NR&ESG Committee, providing the coordination required for consistent disclosure and structured follow-through.

Accountability is reinforced through formal performance management and a clear KPI ownership model.

- EMPOWER's Performance Management System aligns individual objectives with organisational priorities and ensures 100% of eligible employees receive formal reviews.
- KPI ownership sits with functional departments such as Finance, Operations & Maintenance and Human Capital, with progress tracked through monthly reporting to management and quarterly reporting to the Board.

Accountability is operationalised through full performance review coverage and a fixed cadence of KPI reporting from functional owners to management and the Board.

Monitoring that makes sustainability performance measurable and controllable

GRI 2-12, GRI 2-13, GRI 2-24

Oversight relies on credible data, operational visibility and consistent process control. EMPOWER's monitoring approach integrates certified management systems with real-time operational surveillance and structured sustainability datasets.

The Integrated Management System (IMS) provides a unified platform for process control and business continuity and is certified to international standards, including ISO 14001:2015 for environmental management and ISO 45001:2018 for occupational health and safety.

Performance is monitored through technology-enabled operational oversight and analytics.

- The Command Control Centre (CCC) uses SCADA systems, AI and predictive analytics to monitor plant performance and energy efficiency on a 24/7 basis.
- Business intelligence tools such as Qliksense support detailed analysis and reporting on asset performance and energy use.
- A central workflow captures daily waste collection data across sites to manage recycling targets.
- Greenhouse gas audits are conducted based on the Greenhouse Gas Protocol to quantify emissions in $mtCO_2e$ across operations.

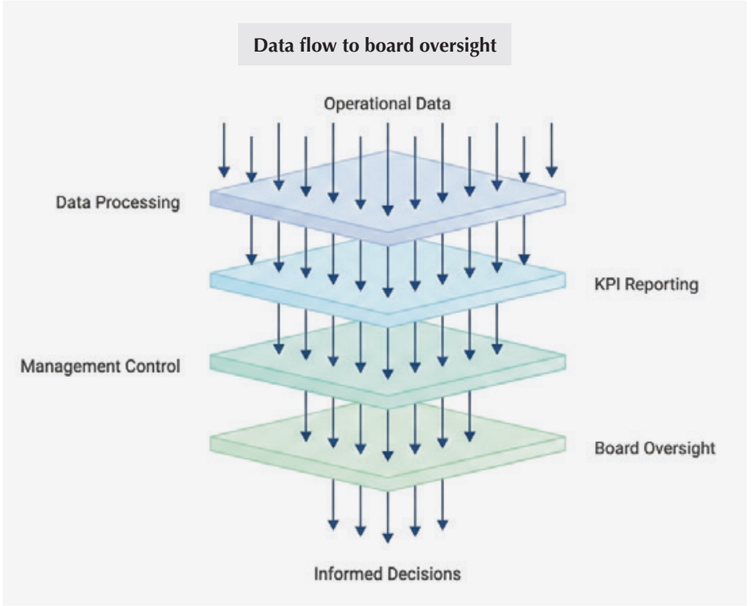
Assurance that validates controls and strengthens follow-through

GRI 2-5, GRI 2-25

Assurance is designed to provide confidence that sustainability-related controls and data are subject to disciplined internal review, supported by statutory external audit for financial disclosures. EMPOWER applies a dual-layer internal assurance approach.

Internal Audit conducts reviews across critical processes and higher-risk areas through an annual audit plan. In 2025, the function completed 24 reviews and achieved 100% coverage of all key processes and company departments, including functions central to sustainability performance such as Operations & Maintenance and Human Capital. This reinforces confidence that the control environment supporting sustainability reporting receives enterprise-grade scrutiny.

Real-time operational oversight and structured sustainability datasets provide decision-useful visibility into performance drivers such as efficiency, safety and environmental controls.



Management follow-through is tracked and tested.

- EMPOWER sustained an 85% Management Action Plan (MAP) closure rate over the cumulative three-year period from 2023 to 2025, demonstrating consistent action to resolve audit findings within established timeframes.
- Internal Audit conducted two quarterly follow-up reviews in September and December 2025, strengthening the continuous improvement of internal controls.
- Targeted assurance and advisory reviews strengthened alignment with EMPOWER's strategic and operational risk priorities, reinforcing embedded governance over ESG risks and performance drivers.

Assurance combines enterprise-wide audit coverage, disciplined closure of findings and follow-up reviews, supported by statutory external audit of financial disclosures.

A second layer of assurance is delivered by the Integrated Quality, Health, Safety and Environment (IQHSE) team, which conducts specialised audits across departments, projects and district cooling plants to confirm compliance with QHSE policies and operating requirements.

EMPOWER's approach to external assurance is applied transparently. The 2024 Sustainability Report followed the eight GRI reporting principles, including accuracy, balance and verifiability, while financial disclosures are externally audited by the statutory auditor (PricewaterhouseCoopers). Governance integrity is supported through a defined compliance framework, including the Code of Conduct, Insider Dealing Policy and Whistle-Blowing Policy managed through the Compliance Office.

Risk integration that strengthens resilience through learning and prevention

GRI 2-16, GRI 2-25

Sustainability risks are managed through EMPOWER's enterprise risk framework so that environmental, social and climate-related risks are identified and governed alongside operational and financial risks. EMPOWER initiated implementation of Enterprise Risk Management aligned with ISO 31000:2018 to identify potential and imminent risks to business continuity.

Climate-related risks and opportunities are overseen by the Board and management, supporting infrastructure resilience and continuity planning. Operational resilience is reinforced through a structured learning loop in which the Incident Investigation team analyses root causes of malfunctions and shares lessons learned across departments to prevent recurrence and strengthen controls over time.

Risk oversight is built around business continuity, with enterprise risk management and a structured learning loop that turns incidents into system-wide prevention.

Materiality

Material topics and strategic alignment

Materiality is the foundation through which EMPOWER translates stakeholder expectations into strategic focus and disciplined execution. As a regulated utility operating at the heart of the emirate's urban ecosystem, the Company's long-term resilience depends on its ability to identify the sustainability topics that most directly influence environmental outcomes, societal trust, and enterprise value. This chapter sets out how EMPOWER determines what truly matters, aligns those priorities with its operating model and governance structures, and integrates material topics into decision-making to ensure that growth, efficiency and accountability advance together.

UN SDGs aligned:

GRI Alignment

GRI 3: Material Topics 2021

Our approach to materiality

EMPOWER's methodology is anchored in the principle of **Double Materiality**, ensuring a comprehensive view of value creation that aligns with the ***GRI 3***: Material Topics 2021 standard and the **Dubai Financial Market (DFM) ESG Reporting Guidelines**. This approach requires us to evaluate our business through two distinct yet complementary lenses:

Impact materiality (inside-out): Identifying the significant effects EMPOWER has on people and the environment across its entire value chain.

Financial materiality (outside-in): Assessing sustainability-related risks and opportunities that are reasonably expected to affect the Company's financial performance, position, over the short, medium, or long term.

Materiality methodology

Our double materiality approach

Engagement with senior management and a diverse array of external stakeholder groups was conducted through a double-materiality lens, ensuring a comprehensive view of value creation aligned with GRI 3: Material Topics 2021 and the Dubai Financial Market (DFM) ESG Reporting Guidelines. This dual-perspective framework assessed:

- **Impact materiality (inside-out):** Identifying and evaluating the significant effects EMPOWER has on the economy, environment, and society across its entire value chain.
- **Financial materiality (outside-in):** Assessing sustainability-related risks and opportunities that are reasonably expected to affect the Company's financial performance over the short, medium, and long term.

Stakeholder engagement and scoring rubric

To ensure institutional rigour, engagement panels included a broad spectrum of stakeholders. Internal participants included the Board of Directors, CXOs, and operational heads, while external panels comprised institutional investors, lenders, regulators, and a diverse customer base representing 1,747 buildings. Each topic was scored against a rigorous rubric designed to elicit decision-ready insights:

- **Severity:** Evaluated based on the scale (seriousness of the impact), scope (how widespread the effect is), and irremediable character (the difficulty of restoring the prior state).
- **Likelihood:** Assessed for the potential of impacts or financial risks to manifest across defined time horizons.

Through this disciplined and inclusive dialogue, EMPOWER reinforces its position as a primary utility anchor for the emirate, embedding stakeholder expectations into the decision-making processes that safeguard our future growth and long-term resilience.

The top overlapping issues that are feature in the top 10 of both 'Impact' and 'Financial' materiality (overlap set)

Issue #	Topic
1	Environmental: Climate transition and GHG emissions
24	Governance: Customer data privacy and digital trust
19	Governance: Regulatory and concession compliance
16	Social: Customer service reliability and continuity
21	Governance: Cybersecurity and operational technology resilience
20	Governance: Risk management and internal controls
3	Environmental: Energy efficiency and demand optimisation
6	Environmental: Water stewardship and discharge quality

Materiality

Material issues surveyed in 2025

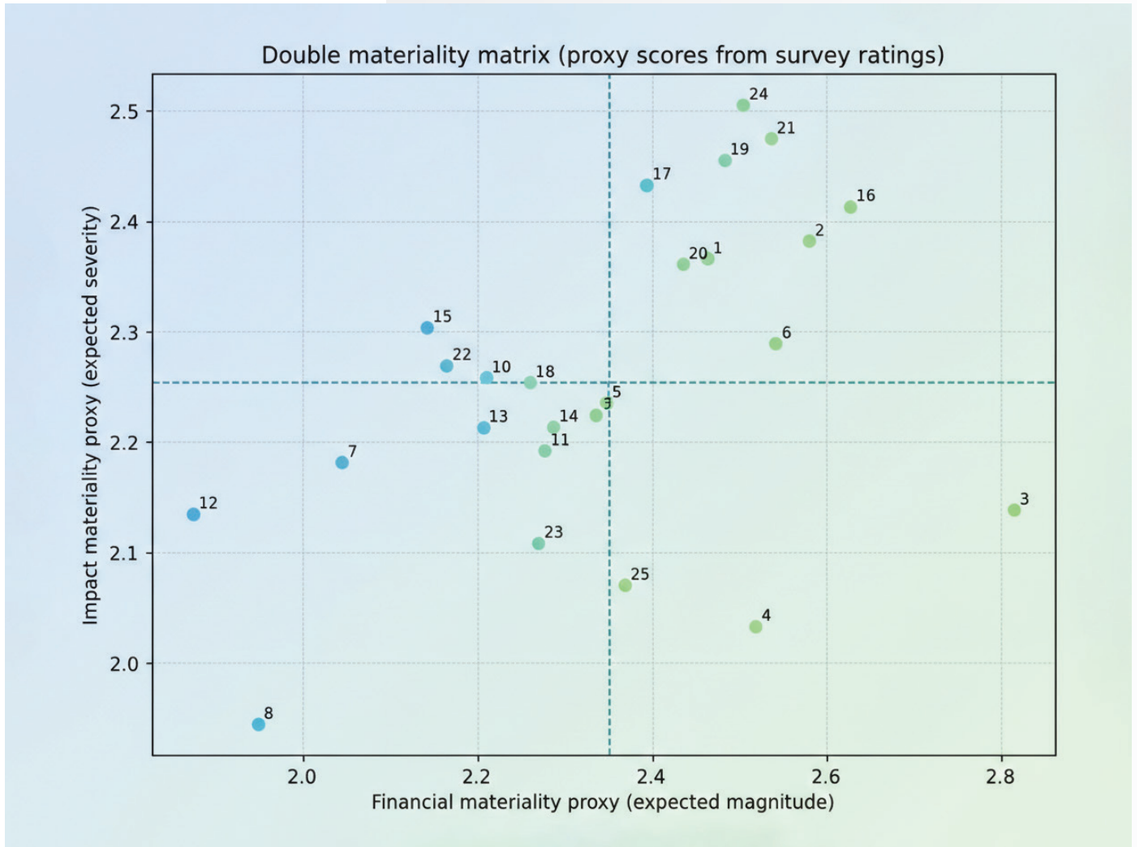
Number	Topic name	Description	Relevant GRI and UN SDGs
1	**Climate transition and GHG emissions**	Managing greenhouse gas (GHG) emissions and transition-related impacts, including targets, pathways, and exposure to carbon and energy transitions.	***GRI 305; GRI 201;***
2	**Physical climate resilience**	Ensuring assets and service continuity under acute and chronic climate hazards, such as heatwaves and floods.	***GRI 203; GRI 2;***
3	**Energy efficiency and demand optimisation**	Improving cooling generation and distribution efficiency to reduce energy use per unit of cooling delivered.	***GRI 302;***
4	**Energy sourcing and renewables integration**	Managing the electricity sourcing mix and integrating lower-carbon or renewable energy where feasible.	***GRI 302; GRI 305;***
5	**Refrigerants and other pollutants**	Preventing and managing pollutant releases, including refrigerant leakage, and ensuring compliance with applicable controls.	***GRI 305; GRI 306;***
6	**Water stewardship and discharge quality**	Responsible water sourcing, efficiency, reuse (such as Treated Sewage Effluent), and discharge quality management.	***GRI 303;***
7	**Materials, waste and circularity**	Managing materials, waste, and lifecycle impacts of equipment and network assets, including end-of-life management.	***GRI 301; GRI 306;***
8	**Biodiversity and land-use impacts**	Avoiding or mitigating impacts on biodiversity and land use resulting from construction and infrastructure operations.	***GRI 304;***
9	**Own workforce health and safety**	Protecting employees from work-related injury and ill-health through rigorous operational safety systems.	***GRI 403;***
10	**Contractor health and safety**	Managing safety risks for contractors performing construction, maintenance, and network expansion work.	***GRI 403;***
11	**Skills, talent development and retention**	Ensuring human capital capabilities and retention to support safe operations, reliability, and modernisation.	***GRI 404;***

Number	Topic name	Description	Relevant GRI and UN SDGs
12	**Diversity, equity and inclusion**	Building fair and inclusive workplace practices across recruitment, development, and representation.	***GRI 405;***
13	**Human rights and fair labour practices (own workforce)**	Preventing discrimination, forced labour, child labour, and unfair employment practices within the direct workforce.	***GRI 406; GRI 408; GRI 409;***
14	**Workers in the value chain**	Ensuring the human rights, labour conditions, and welfare of workers employed by suppliers and contractors.	***GRI 408; GRI 409; GRI 414;***
15	**Community impacts from construction and operations**	Managing local community impacts and engagement, including the mitigation of disruption and safety risks around worksites.	***GRI 413;***
16	**Customer service reliability and continuity**	Maintaining reliable cooling delivery and ensuring transparent incident response for all customers.	***GRI 203; GRI 2;***
17	**Customer affordability and fair commercial practices**	Ensuring fair, transparent commercial practices, tariff transparency, and accessible complaint resolution.	***GRI 206; GRI 417;***
18	**Business ethics and anti-bribery**	Preventing bribery, corruption, conflicts of interest, and unethical conduct, particularly in procurement and contracting.	***GRI 205; GRI 206;***
19	**Regulatory and concession compliance**	Ensuring full compliance with licences, concessions, service obligations, and all relevant regulated standards.	***GRI 2; GRI 419;***
20	**Risk management and internal controls**	Governance frameworks used to identify, manage, and monitor enterprise risks, including sustainability-related risks.	***GRI 2; GRI 201;***
21	**Cybersecurity and operational technology resilience**	Protecting IT and operational technology (OT) systems to ensure the reliability, safety, and continuity of the network.	***GRI 418; GRI 2;***
22	**Supply chain governance and due diligence**	Integrating ESG and integrity due diligence into supplier selection, monitoring, and corrective action processes.	***GRI 308; GRI 414;***

Materiality

Number	Topic name	Description	Relevant GRI and UN SDGs
23	**Transparency and reporting quality**	Governance over sustainability disclosures, stakeholder dialogue, and internal accountability for reported metrics.	***GRI 2; GRI 102;***
24	**Customer data privacy and digital governance**	Protecting customer and end-user information across digital platforms, including privacy governance, access controls, and incident response.	***GRI 418;***
25	**Supply chain climate and disruption risks**	Managing climate-related, geopolitical, and logistics risks affecting critical inputs like OEM equipment, refrigerants, and chemicals.	***GRI 203; GRI 308;***

Ranking of material issues



Strategic alignment framework and material topics

This framework serves as the core "integration engine," illustrating the explicit connectivity between what is material to our stakeholders and how we govern, measure, and de-risk our business operations.

By synchronising our demand-led building connections with intelligence-led optimisation, EMPOWER ensures that its material priorities are not merely reported, but are actively managed to protect the long-term prosperity of the emirate and our shareholders.

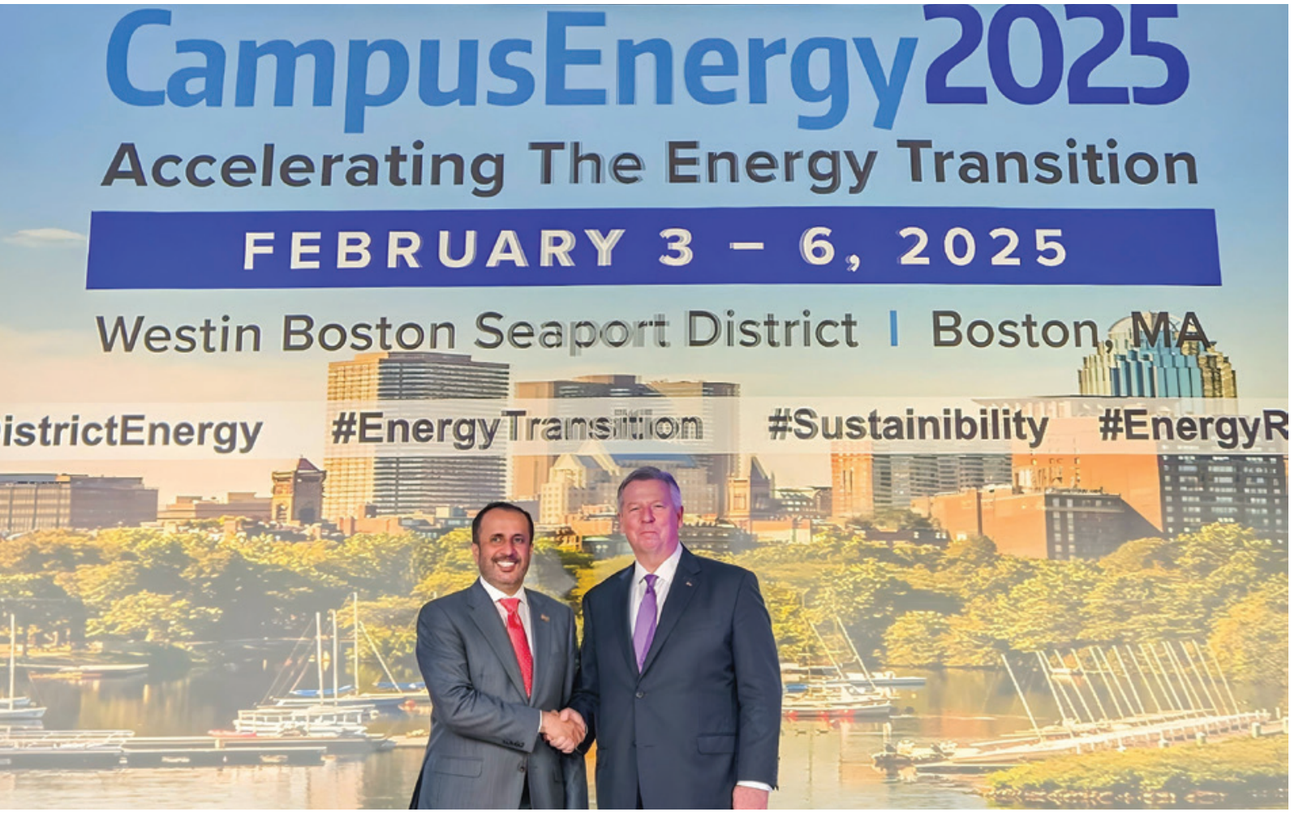
Strategic priority	Aligned material issue numbers and names	Key performance indicators (2025 outcomes)	Governance oversight
Operate a reliable utility network at scale	2. Physical climate resilience; 16. Customer service reliability and continuity; 19. Regulatory and concession compliance; 20. Risk management and internal controls	**99.34%** service reliability maintained across a distribution network exceeding **430 km**	Board of Directors and O&M management
Run efficiently and protect cost-to-serve	1. Climate transition and GHG emissions; 3. Energy efficiency and demand optimisation; 4. Energy sourcing and renewables integration; 6. Water stewardship and discharge quality	Strong operating performance across the network; **1.08 million tonnes** of CO_2 mitigated annually	Nomination, Remuneration and ESG (NR & ESG) Committee; HSE/Sustainability
Grow with discipline	19. Regulatory and concession compliance; 22. Supply chain governance and due diligence; 25. Supply chain climate and disruption risks	**1.94 million RT** cumulative contracted capacity; **163** new long-term agreements signed in 2025	Board of Directors; Finance and Commercial
Institutionalise innovation	13. Adapting to new technologies; 24. Customer data privacy and digital governance	**~8%** expected energy savings from AI/Machine Learning plant optimisation; **75%** digital penetration reached	IT/SCADA and Digital platforms
EMPOWER people and communities	9. Own workforce health and safety; 10. Contractor health and safety; 11. Skills, talent development and retention; 12. Diversity, equity and inclusion	**7.52 million** working man-hours with zero fatalities; **31.27%** Emiratisation milestone sustained	NR & ESG Committee; Human Capital
Deliver resilient financial outcomes	18. Business ethics and anti-bribery; 20. Risk management and internal controls; 23. Transparency and reporting quality	**AED 875 million** dividends paid for the whole year; **MAJRA Gold Impact Seal** awarded for sustainability excellence	Audit Committee; Finance and Internal Audit

Environmental impact

Delivering environmental performance aligned with net zero

UNSDGs aligned:	Material Issues	GRI Alignment
13 CLIMATE ACTION; 7 AFFORDABLE AND CLEAN ENERGY; 6 CLEAN WATER AND SANITATION; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	*1; 2; 3; 6*	*GRI 302; GRI 303; GRI 305; GRI 306; GRI 201; GRI 2*

Our environmental strategy has evolved from building scale to extracting sustained economic and environmental value from every refrigeration ton aligned with national decarbonisation priorities



EMPOWER's environmental stewardship in 2025 was defined by an intensified momentum that combined disciplined infrastructure expansion with intelligence-led optimisation, firmly anchored in the UAE Net Zero 2050 strategy. Concurrently, EMPOWER institutionalised the integration of artificial intelligence and machine learning across its existing asset base, with expected energy savings of approximately 8 percent. This intelligence-led optimisation enables the Company to extract incremental economic and environmental value from each connected refrigeration ton, ensuring that measurable gains keep pace with growth in scale, efficiency and embedded decarbonisation.

Supported by disciplined capital deployment across Jumeirah Village, Dubai Science Park, and Al Sufouh 2, the Company remains on a defined trajectory to scale connected capacity to 1.86 million RT by 2027, directly supporting Dubai's vertical expansion while advancing long-term sustainable value creation.

Intelligence-led optimisation

By institutionalising intelligence-led dispatch and synchronising real-time demand with refined utility management. In 2025, we were able to deliver peak performance across a scaled asset base.

EMPOWER continued to strengthen system-wide operating performance through disciplined plant optimisation and intelligence-led utility management. This result represents the aggregate performance across the Group's entire plant network, excluding Dubai International Airport, and was primarily driven by superior chiller efficiency and disciplined dispatch sequencing. While the Group advanced its technology-led maturity through a successful machine learning pilot project at the Za'abeel plant, which received international recognition, the overall efficiency gain is the collective outcome of scaled infrastructure and refined utility management practices. This operational discipline ensures that EMPOWER continues to deliver peak performance and predictable cost-to-serve outcomes as the network expands.

This milestone was independently recognised on the global stage when EMPOWER received an Innovation Award Honourable Mention for District Cooling Plant Optimisation Using Machine Learning at the International District Energy Association (IDEA) 2025 Annual Conference. The machine learning models deployed are expected to deliver approximately 8% in annual energy savings, directly lowering the Company's carbon footprint. By institutionalising these AI-driven tools, EMPOWER ensures its total connected capacity, which ascended to a landmark 1.66 million RT in 2025, delivers maximum environmental and economic value to the emirate.

1.66 million RT

Connected Cooling Capacity

Environmental impact

Emissions avoidance and national alignment

As a primary infrastructure anchor for Dubai's urban prosperity, EMPOWER serves as a critical enabler of the UAE Net Zero 2050 Strategy and the Dubai Clean Energy Strategy 2050. Our operating model is designed to deliver a systemic "decarbonisation dividend" by replacing high-emission standalone cooling units with high-density, low-carbon district cooling infrastructure. Our environmental performance metrics for 2025 reflect our steadily increasing scale of operations and services.

- **Systemic Avoidance:** We successfully mitigated 1.08 million tonnes of CO_2 annually, maintaining the high-performance benchmark established in 2024. This avoidance reflects the structural efficiency advantages of district cooling and EMPOWER's disciplined operational management across its network.
- **Inventory Dynamics:** Our total GHG inventory for 2025 increased to 1,378,289.6 $mtCO_2e$, a marginal 4.7% increase that remains commensurate with the business's growth. Specifically, the increase in Scope 2 and Scope 3 emissions is a direct function of heightened plant utilisation and RT discharge growth, as our connected capacity reached a landmark 1.66 million RT across 1,747 buildings.
- **Operational Decoupling:** Notably, Scope 1 emissions were reduced by 28.7% YoY, driven by a sharp decrease in stationary combustion and fleet-related emissions, demonstrating our ability to optimise direct operational impacts even as the network scales.

Analysis: Growth-commensurate emissions profile

Greenhouse gas emissions inventory ($mtCO_2e$)

Emission Category	2025 ($mtCO_2e$)	2024 ($mtCO_2e$)	Change (%)	Commentary
Fleet Vehicles	1,186.4	1,279.9	(7.3%)	Reflects transition toward electric vehicle adoption.
Lubricant Oil	23.7	13.2	79.5%	Commensurate with expanded plant maintenance schedules.
Refrigerant Gases	16,601.1	21,087.5	(21.3%)	Improved leak detection and use of low-emitting gases.
Stationary Combustion	7.3	2,624.0	(99.7%)	Significant reduction in direct fuel-based heat generation.
Total Scope 1	**17,818.4**	**25,004.6**	**(28.7%)**	Direct operational impact was successfully reduced.
Electricity (Scope 2)	1,075,355.7	1,059,438.7	1.5%	Increased due to higher cooling production and plant utilisation.
Total Scope 2	**1,075,355.7**	1,059,438.7	1.5%	Primary driver of the Group's carbon footprint.
Business Travel	157.0	138.7	13.2%	Aligned with global synergy and market expansion efforts.
Paper Consumption	5.5	5.0	10.0%	Reflects growth in administrative headcount.
Water	284,953.0	232,134.3	22.8%	Driven by RT discharge growth and higher production volumes.
Total Scope 3	**285,115.5**	**232,277.9**	**22.7%**	Indirect impact from utility inputs.
Total GHG Inventory	**1,378,289.6**	**1,316,721.2**	**4.7%**	Commensurate with overall business scaling.

Avoided GHG emissions and intensities

The Group's focus on "Optimising the Future" is best demonstrated by our 38.9% increase in total avoided emissions, highlighting the growing efficiency of our non-traditional water sources and our integration of renewables.

Metric	2025	2024	Change (%)	Analysis
Total Avoided GHG ($mtCO_2e$)	**17,818.4**	**25,004.6**	**(28.7%)**	Direct operational impact was successfully reduced.
Total Production (RTh)	1,075,355.7	1,059,438.7	1.5%	Increased due to higher cooling production and plant utilisation.
$mtCO_2e$ / RTh	5.5	5.0	10.0%	Reflects growth in administrative headcount.
$mtCO_2e$ / Employee	285,115.5	232,277.9	22.7%	Indirect impact from utility inputs.

Strategic Outlook: By institutionalising ML-based plant optimisation, EMPOWER expects to deliver an additional 8% in annual energy savings. This technology-led intervention serves as a critical buffer, ensuring that as we move toward our 2027 target of 1.86 million RT, our margins and carbon intensity remain resilient against evolving environmental stressors.

De-risking water supply through reverse osmosis expansion

EMPOWER remains committed to advancing a circular water economy by prioritising the use of Treated Sewage Effluent and recycled water to protect the emirate's freshwater reserves. In 2025, recycled water usage increased to 9.22 percent from 8.3 percent in 2024, reflecting measured progress aligned with disciplined year-on-year targets and calibrated against external recycled water availability.

By expanding in-house water treatment capacity, operational resilience has been strengthened against climate-driven supply volatility without compromising efficiency.

To address supply-side constraints and strengthen operational resilience, the Group expanded its in-house Reverse Osmosis capacity to 24,969 m^3 per day in 2025, up from 21,359 m^3 per day in the previous fiscal year. This investment enhances EMPOWER's ability to treat and reuse water internally, reduces exposure to municipal supply variability, and reinforces alignment with the national water security agenda. By diversifying water sources and scaling advanced treatment capabilities, the Company is building greater resource self-reliance while safeguarding the efficiency standards required to support sustainable urban growth.

24,969 m^3/day

Installed reverse osmosis water treatment capacity

Environmental impact

Waste Management, Circularity, and Environmental Responsibility

In 2025, EMPOWER intensified its focus on waste management by expanding the rollout of smart recycling bins and real-time monitoring of reusable materials. Our waste performance for the year is as follows:

Category	2025	Percentage
Total Waste Generated	**464.58 tons**	**100%**
Total Recycled Waste	**34.29 tons**	**~ 7.38%**
Non-Recycled Waste	**430.29 tons**	**92.62%**

EMPOWER's approach to resource stewardship extends beyond utility-scale energy efficiency to active participation in the emirate's circular economy through structured partnerships and measurable action. During 2025, aligned with the UAE's designation of the "Year of Community," the organisation strengthened its collaboration with the Emirates Environmental Group under the "One Root, One Communi-tree" initiative. This programme links responsible waste management with biodiversity enhancement, enabling EMPOWER to translate defined recycling volumes into tangible contributions to national afforestation objectives.

LEED Gold certified: DLRC plant validated to international green building standards.

At the operational level, the Company implemented targeted recycling campaigns throughout the year to foster sustained behavioural change and reinforce responsible consumption practices among employees. These initiatives focused particularly on source segregation of plastics and paper.

From a corporate systems perspective, EMPOWER maintains an ongoing review mechanism for all waste-related requests originating from the Head Office, district cooling plants and the Al Quoz camp. The review framework prioritises diversion from landfill and structured recycling of multiple waste streams, including electronic waste and non-hazardous materials, thereby strengthening compliance, traceability and circular resource recovery.

During the 2025 reporting period, EMPOWER leveraged its intelligence-led utility stewardship by utilising smart recycling bins to track and monitor employee contributions. A key milestone was achieved during the World Cleanup Day 2025 activations, where the Sustainability team successfully collected over 800 plastic bottles and 200 plastic bags, totalling more than 30 kilograms of plastic for recycling. This targeted effort significantly enhanced the organisation's cumulative recycling profile, following the collection of 122 kg of plastic earlier in the year during Phase 1 of the initiative.

These 2025 outcomes provide a consistent trajectory of growth when benchmarked against our 2024 performance, where EMPOWER successfully recycled 2,187 kg of total waste—including plastics, paper, and glass—which qualified the organisation to plant 1,383 indigenous tree saplings at Al Menai. By qualifying to plant additional trees in December 2025, EMPOWER continues to build upon its legacy of environmental restoration. From an Investor Relations perspective, this initiative demonstrates that EMPOWER's operating philosophy is not merely about managing infrastructure, but about protecting the emirate's natural capital to ensure long-term resilience and shared value for all stakeholders.

Targeted waste segregation, combined with biodiversity-linked recycling partnerships, connects day-to-day operational discipline with long-term ecological restoration.

30+ kg

Plastic waste recovered during World Cleanup Day 2025 initiatives

Asset integrity and climate resilience

For a large-scale utility, asset integrity is the non-negotiable foundation to sustain annuity-style cash flows. EMPOWER, now serving 1,747 buildings across a distribution network exceeding 430 km, is engineered to remain operational under the most demanding climate scenarios. Our commitment to world-class management throughout the asset lifecycle is supported through an integrated assurance framework that combines international certifications with proactive engineering redundancy:

Integrated management systems and governance assurance

The robustness of our operational control environment was independently validated in November 2025 through the successful renewal of our core ISO certifications. Following rigorous surveillance audits by Bureau Veritas, the Company re-certified its compliance with ISO 9001:2015 (Quality), ISO 14001:2015 (Environment), and ISO 45001:2018 (Occupational Health and Safety) across our head office and the entire network of district cooling plants. These renewals, coupled with our maintained ISO 27001:2022 certification for Information Security, provide institutional assurance that EMPOWER's operating philosophy is anchored in global best practices for risk management and resource efficiency.

Pioneering green infrastructure: The LEED Gold legacy

We continue to embed sustainability into our physical footprint, ensuring that capacity expansion remains synchronised with the emirate's vision for green urban development. A primary milestone in 2025 was the awarding of the LEED Gold Certification to our Dubai Land Residence Complex (DLRC) district cooling plant by the U.S. Green Building Council.

This achievement marks EMPOWER's seventh LEED Gold-certified plant, building on a legacy that includes Za'abeel, Barsha Heights, and Business Bay 05. The DLRC plant serves as a benchmark for modern utility design, featuring:

- **Capacity and Scale:** A production capacity of 47,000 RT, engineered to serve a residential community set to reach over 250 buildings.
- **Technological Integration:** The deployment of **T**hermal Energy Storage (TES) to reduce peak electricity demand and the use of Treated Sewage Effluent (TSE) to preserve natural water resources.
- **Operational Readiness:** The plant utilises smart, innovative monitoring technologies, directly contributing to the emirate's Carbon Abatement Strategy.

Engineering resilience for a warming climate

- EMPOWER's infrastructure is specifically architected to withstand the region's acute and chronic climate hazards, including extreme heatwaves. Our 2025 performance, maintaining 99.34% network reliability, is supported by critical engineering safeguards:
- **Physical Protection:** Our distribution pipelines are insulated and buried underground, protecting them from surface-level storms, seismic activity, and temperature fluctuations.
- **Redundancy and Control:** Beyond our state-of-the-art Command Control Centre (CCC), we have developed a Parallel Work Environment (PWE). This redundant system ensures business continuity by allowing for alternate remote operation of plants, guaranteeing uninterrupted service to our 156,000 customers even during system disruptions.
- **Vigilant Stewardship:** Asset integrity is further fortified through monthly refrigerant leakage audits and an intensive preventative maintenance programme that ensures all 90 plants are optimised ahead of peak summer temperatures.

By institutionalising these standards, EMPOWER ensures that its vast asset base is not only a driver of current revenue but a resilient infrastructure anchor for the emirate's future growth.

Sustainable plant design integrates capacity, efficiency, and water stewardship to align infrastructure growth with urban sustainability objectives.

7 LEED Gold plants

District cooling facilities are certified to international green building standards

Social impact

People, safety and social impact

UNSDGs aligned:

Material Issues

1; 2; 9; 10; 11; 12; 13; 14; 15; 16; 21; 23

GRI Alignment

GRI 203-2; 401-1; 401-2; 403-1; 403-2; 403-5; 403-7; 403-9; 404-2; 404-3; 405-1; 413-1

Zero harm is an operating standard – embedded in how we plan work, control risk and lead on site.

EMPOWER's people, safety systems and social commitments are foundational enablers of operational excellence, disciplined expansion and long-term resilience. As a human-capital-intensive utility, our ability to deliver predictable service outcomes at scale depends on

(i) a mature, embedded safety culture,

(ii) deep technical capability across operations and maintenance, and

(iii) trusted relationships with customers, contractors and communities.

Together, these elements strengthen system reliability, protect critical assets and sustain stakeholder confidence.

Safety performance and operating discipline

GRI 403-1, GRI 403-2, GRI 403-5, GRI 403-7, GRI 403-9

1,969	1,449	4,492	9,890
Document reviews	HSE Training Programmes	Training Manhours	Training Attendees
15	255	1,857	7,520,533
Drills	Drill participants	HSE Inspections	Total working hours

Social impact

Safety outcomes and milestone results

EMPOWER continued to strengthen its safety culture in 2025, guided by our commitment to a zero-harm work environment. We recorded 7,520,533 working hours, representing a significant increase from the 6,017,626 hours achieved in 2024 and more than doubling the 3,324,052 hours recorded in 2023. Three lost time injuries (LTIs) were reported from Empower and contractor with a Lost Time Injury Frequency Rate (LTIFR) of 0.3989. Each incident was escalated, investigated and used to strengthen controls, supervision and contractor assurance, with the aim of preventing recurrence.

These outcomes and actions reflect a safety culture that is well established and being reinforced as the group's operational footprint expands and complexity increases. As the footprint grows, the risk profile becomes more varied – spanning plant operations, network interventions, contractor-led construction activities and higher-risk work types. Sustaining disciplined performance under these conditions depends on consistent hazard identification, rigorous control implementation and effective leadership at the point of work, including clear expectations and oversight across contractor activities.

A mature safety culture is tested during growth – when work volumes rise, contractors increase, and the operating envelope expands.

Integrated management system and standards

Our safety framework is underpinned by an Integrated Quality, Health, Safety and Environment (IQHSE) policy, designed to provide a unified governance model for quality assurance, risk prevention, environmental protection and continuous improvement.

The system is aligned with and certified to internationally recognised standards, including:

- **ISO 45001:2018** (Occupational Health and Safety)
- **ISO 9001:2015** (Quality Management)
- **ISO 14001:2015** (Environmental Management)

During 2025, EMPOWER completed surveillance audits conducted by Bureau Veritas across the head office and district cooling plants, supporting the renewal and continued validity of these certifications. In parallel, we strengthened the protection of critical systems and data by upgrading information security protocols to the ISO 27001:2022 standard. This reinforces controls around information governance and cyber resilience – particularly important for a utility operator where operational technology, monitoring systems, and customer data must remain secure, reliable and protected from disruption.

Operational risk and mitigation strategies

EMPOWER utilises a comprehensive health and safety risk management framework to identify, evaluate and control hazards inherent in utility operations and network-scale infrastructure management. The framework applies the hierarchy of controls method – prioritising elimination, substitution, engineering controls, and administrative measures over reliance on personal protective equipment.

In 2025, we intensified proactive monitoring through 1,857 HSE site inspections, up from 1,799 in the previous year. These inspections included:

- Routine compliance checks to confirm safe work practices are consistently applied
- Targeted reviews for higher-risk environments and work types
- Focused interventions for hot works, including verification of controls and supervision requirements

To ensure that performance is reinforced through learning – not only compliance – EMPOWER maintains a structured "learning loop". An internal investigation team analyses near-misses and incidents, identifies root causes and translates learnings into practical controls and communication that can be applied across departments. This approach strengthens risk awareness and prevents recurrence by ensuring that lessons are institutionalised, rather than contained within individual sites or teams.

Inspection is the mechanism that keeps standards consistent across sites, shifts and contractors.

Value chain and contractor safety oversight

EMPOWER distinguishes between internal workforce exposure and contractor exposure to manage the specific risk dynamics associated with construction, commissioning and large-scale expansion programmes. Contractor safety is integrated into the procurement lifecycle through a rigorous pre-qualification process. Suppliers and service providers are evaluated against technical capability, financial strength and QHSE compliance elements, with only those scoring above 70% permitted to proceed.

Once contractors are mobilised, safety oversight continues through:

- Mandatory safety onboarding before site access
- Periodic audits and compliance checks aligned with required standards
- Management walkthroughs to reinforce expectations, verify controls and maintain visible leadership presence
- Adherence to the Dubai Municipality Code and EMPOWER's internal safety protocols, ensuring site practices meet both regulatory and company requirements
- EMPOWER follows a rigorous review process for all contractor activities, ensuring comprehensive risk mitigation measures are in place to safeguard personnel, assets, and the environment. Our well-established Permit to Work (PTW) system strictly regulates activities, verifying necessary controls before and during task execution.

This structured oversight approach supports safe delivery during peak execution periods, ensuring that expansion activity remains consistent with our zero-harm commitment and operating standards.

Proactive resilience during adverse weather: December 2025

In response to severe weather alerts, EMPOWER's HSE and operations teams executed a targeted risk-mitigation plan to prevent avoidable incidents and asset loss across multiple sites. Using historical data, the teams identified a technical vulnerability: rainwater ingress into external control panels could trigger accidental "auto-discharges" of automated fire extinguishing systems.

Risk control strategy

To prevent unintended discharge while maintaining full fire safety readiness, EMPOWER proactively transitioned 14 district cooling plants and one staff accommodation facility to manual operation mode for the storm period. Technicians disconnected solenoid valve control cables, isolating the cylinders from erroneous electrical pulses while preserving full detection capability. This intervention required precise execution and clear operational discipline to ensure systems remained safe, functional, and ready for manual activation in the event of a genuine emergency.

Enablers and assurance

The change was supported by specialised training for on-site operators and the deployment of visual aids, ensuring that:

- On-site teams understood the revised operating mode
- Manual activation procedures were accessible and unambiguous
- Safety coverage remained intact while accidental discharge risk was eliminated

Outcome

The project successfully secured 59,689 kg of extinguishing media, avoiding significant chemical refills and an estimated AED 4 million in direct maintenance costs. It also reduced the risk of unplanned operational disruption(including downtime, resets and system reinstatement activities) and prevented unnecessary agent discharge, minimising the environmental impact associated with chemical release, handling and replenishment.

Learning-led risk control: a surgical intervention that protected 59,689 kg of media and avoided ~AED 4 million of avoidable cost.

Social impact

Workforce capability and composition

GRI 401-1, GRI 401-2, GRI 404-2, GRI 404-3, GRI 405-1

Workforce capability as a performance enabler

EMPOWER recognises that human capital is the integration engine of the business: it is the capability layer that turns complex ideas into predictable service outcomes. Our operational model requires disciplined execution, technical depth and continuous readiness – supported by skilled employees who can manage utility-scale assets, respond to risk in real time and sustain quality standards across a 24/7 operating environment.

As our network expands and service density increases, workforce capability becomes even more central to performance. The ability to operate efficiently, maintain reliability and execute projects safely depends on the quality of our people systems – how we attract, retain, develop and deploy talent across functions.

People are more than a support function at EMPOWER – they are the system that keeps the network reliable.

Workforce scale and retention

By the end of 2025, EMPOWER's total headcount grew to 1,054 employees. The workforce consists predominantly of permanent, full-time staff, providing the stability required for continuous operations and consistent standards across shifts, sites and functions.

During 2025, the organisation's retention rate increased to 94.60%, reflecting a stable work environment and the effectiveness of internal engagement and development approaches. The average employee tenure stood at 6.11 years in 2025, with several team members serving for over two decades, supporting continuity, institutional knowledge retention, and the transfer of practical expertise within operational teams.

61%
Emirati women as % of total female workforce

555
Employees trained

1,054
Total headcount

6.11 years
Average tenure (2025)

25
Nationalities represented (2025)

94.6%
Retention rate

18.75%
Women in management

44.79%
Emirati representation in senior management

23.66%
Women in head office workforce: (office ratio ~76:24)

31.27%
(111 UAE nationals)
Emiratisation (office staff)

Diversity and gender representation

EMPOWER fosters a multicultural environment, with employees representing 25 nationalities as of 2025. We are committed to building an inclusive workplace that values diverse perspectives, strengthens collaboration and supports innovation.

By the end of 2025, women represented 23.66% of head office staff, with an office-based male-to-female ratio of approximately 76:24. In management, women held 18.75% of positions, and the group continues to develop pathways for professional growth for underrepresented groups through targeted capability and leadership development.

Illuminating inclusivity through collaborative skill-sharing

As part of EMPOWER's annual commitment to meaningful community engagement and the promotion of a diverse workplace, the Corporate Social Responsibility (CSR) team organised a special initiative in April 2025. This event was designed to celebrate International Women's Day, Mother's Day, and Arab Deaf Awareness Week, moving beyond traditional celebrations to foster deep connections between the group's workforce and People of Determination.

The strategic initiative

EMPOWER partnered with the Dubai Club for People of Determination to host a Sign Language & Candle-Making Workshop at the group's headquarters. The session was uniquely led by a group of inspiring deaf women who shared their personal stories, professional passion, and technical skills with EMPOWER staff.

The workshop provided a dual-learning environment where employees were not only taught foundational sign language to improve communication with the deaf community but also participated in a creative candle-making session.

The Impact

- The session engaged more than 20 employees from across functional departments, promoting a unified culture of mutual understanding.
- Participants gained practical experience in sign language, enhancing the organisation's ability to create an accessible and empathetic workplace.
- Each handmade candle crafted during the session served as a symbol of light, expression, and individuality, reinforcing a sense of belonging and community.

This initiative directly supports EMPOWER's commitment to building an inclusive city where all residents have equal opportunities for engagement. It further complements EMPOWER's ongoing work with DEWA's Inclusion People of Determination Innovation Incubator.

Social impact

National talent development

In alignment with the UAE's national vision, attracting and developing qualified Emirati nationals is a primary recruitment and development priority. By the end of 2025, Emiratisation reached 31.27% of office staff, comprising 111 UAE nationals.

EMPOWER achieved a significant milestone with 45.7% Emirati representation in senior management, reflecting a strong internal leadership pipeline and sustained investment in development pathways for national talent. We also take particular pride in advancing female national talent: Emirati women comprise 61% of the total female workforce at EMPOWER. In 2025, EMPOWER initiated a phased build-out of national talent development, which includes introducing leadership development programmes, creating structured career pathways for Emirati employees, and implementing a practical succession planning framework.

A strong national leadership pipeline is a resilience strategy – strengthening continuity, capability and accountability.

UAE Flag Day: Standing together on Flag Day to celebrate the values the UAE flag represents — unity, progress and belonging.

Building the next generation of sustainability leadership at EMPOWER

At the World Green Economy Summit 2025, EMPOWER's sustainability agenda was recognised through an internal achievement: a member of our sustainability team received the Emirates Energy Award in the "Young Energy Professional" category. The recognition reflects not only individual performance, but also EMPOWER's deliberate investment in building in-house capability to lead the transition to more efficient, lower-carbon cooling.

Advancing circular economy outcomes through credible representation

The award acknowledged contributions delivered over 2018 to 2024, including work linked to carbon neutrality and circular economy implementation. As part of EMPOWER's broader engagement strategy, our sustainability team represented the organisation at high-level forums, including the Industry Workshop on the Single-Use Plastic Banhosted by the Dubai Chamber of Commerce, contributing practical insights on implementing regulations aligned with Dubai's sustainability direction and EMPOWER's approach to responsible waste management.

A people strategy that develops national talent and widens leadership pathways

This recognition also reinforces EMPOWER's progress in building an inclusive pipeline of leadership. Women hold 18.75% of management positions, and Emirati women comprise 61% of the total female workforce, reflecting a workplace where national talent can progress into specialist and leadership roles across a technically demanding sector. For EMPOWER, external recognition strengthens the link between our sustainability ambitions and our workforce strategy: developing capabilities in ESG, policy engagement and climate leadership, and ensuring that opportunities to lead are accessible and merit-based.

By strengthening internal expertise and enabling credible participation in policy and industry dialogues, EMPOWER is building the professional depth required to support long-term sustainability performance – while creating visible pathways for the next generation of energy and sustainability professionals.

Technical independence through in-house compressor overhauls

A strategic transition launched in late 2024 involved assuming full responsibility for compressor overhauling across the fleet of Trane CenTraVac™ centrifugal chillers. This shift – from OEM-led servicing to in-house execution – was delivered by a specialised team with 10-15+ years of HVAC experience.

This initiative illustrates how intellectual capital and practical expertise protect margins while improving operational agility:

- **Cost efficiency:** nearly 50% cost savings compared to external contracting, totalling over AED 4 million in less than one year
- **Operational agility:** improved maintenance scheduling flexibility and faster emergency response capability
- **Asset reliability:** rigorous technical standards and certified parts usage support the longevity of critical cooling assets while building internal expertise

Capability that pays for itself: in-house execution delivered ~50% savings and strengthened response readiness.

Capability building and upskilling

To keep pace with a rapidly evolving energy and utilities landscape, EMPOWER invests in continuous professional development – ensuring that technical, operational and leadership skills evolve alongside business requirements.

In 2025, the group trained 555 employees. Technical upskilling remains a core focus, with staff attaining critical qualifications such as:

- Accredited Energy Practitioner (AEP)
- Assistant SCADA Engineer
- Integrated Solar Photovoltaic (PV) System Design

We also leverage operational learning and execution opportunities to deepen internal expertise and reduce dependence on external providers – strengthening both capability and cost discipline.

Organisational culture and recognition

EMPOWER promotes a performance-driven culture built on transparency, empowerment and clear alignment between individual objectives and organisational priorities. Our annual performance appraisal process – managed through a dedicated Performance Management System – ensures that 100% of eligible employees receive formal reviews. This supports consistent objective-setting, accountability and development planning across functions.

Employee commitment is recognised through structured internal events, including the Annual Staff Gathering, which in 2025 honoured team members who had completed up to 20 years of service.

Internal communication is supported by "The Messenger", a monthly newsletter that has fostered unity and cross-departmental collaboration for over 15 years.

Cultural cohesion is further reinforced through the celebration of national milestones, including the 54th National Day Celebrations (Eid Al Etihad) and Emirati Women's Day, strengthening belonging and shared identity across a diverse workforce.

Social impact

Social and community impact

GRI 413-1, GRI 203-2

27	748,441	MAJRA Gold Impact Seal	AED 102,087
CSR initiatives executed	Total financial and in-kind community value delivered	National recognition: (December 2025)	Ramadan Iftar initiative support

Quantifying social value and community outreach

EMPOWER is committed to creating meaningful and measurable social impact, aligning our CSR strategy with the UAE's national vision and the United Nations Sustainable Development Goals. We view community involvement as a structured pillar of our operating model – moving beyond traditional philanthropy to support long-term social value and practical community outcomes.

In 2025, EMPOWER executed 27 CSR initiatives and invested in targeted social impact events that contributing a total financial and in-kind value of AED 748,441. A significant portion of this outreach was directed toward the Ramadan Iftar initiative, which provided meals and accommodation support totalling AED 102,086.88 to economically challenged employees. Additional community initiatives included blood donation drives in partnership with the Dubai Blood Donation Centre, as well as awareness campaigns for Breast Cancer Awareness Month.

National recognition and validation

Our sustainability and social impact commitments were validated at the federal level in December 2025, when EMPOWER was awarded the MAJRA Gold Impact Seal – positioned as a national recognition for sustainable practices and CSR impact in the UAE. This recognition follows earlier acknowledgements of EMPOWER's sustainability progress, including the ESG Advanced Label from the Dubai Chamber of Commerce, reinforcing our position as a regional benchmark for responsible business conduct.

Indirect economic impact and urban resilience

EMPOWER continues to serve as a primary anchor for the emirate's economic diversification, particularly within the vital tourism and hospitality sectors. As of the end of 2025, our energy-efficient district cooling solutions supported 22% of Dubai's hotel and hotel apartments, an improvement over the 21% market penetration recorded in 2024.

By delivering sustainable cooling to a growing portfolio of global icons – including the Burj Al Arab, Atlantis - The Palm, Jumeirah Beach Hotel, Atlantis The Royal, Jumeirah Marsa Al Arab, The Lana (Dorchester Collection), and JW Marriott Marquis Dubai, SIRO One Za'abeel, One&Only One Za'abeel, Address Beach Resort, Al Habtoor Palace, Hilton Dubai Palm Jumeirah, Jumeirah Emirates Towers, Jumeirah Al Naseem and many others - EMPOWER directly supports the Dubai's vibrant hospitality sector. This strategic alignment ensures that the hospitality sector adopts global best practices in sustainability, enabling these landmarks to thrive while significantly reducing the emirate's collective carbon footprint and contributing to a more resilient urban economy.

Restoring ecosystems through native tree planting

EMPOWER collaborated with the Emirates Environmental Group (EEG) to participate in the "For Our Emirates We Plant" initiative. We planted 3,884 native trees in designated protected areas across the UAE. This initiative supports national biodiversity and climate resilience objectives and is estimated to deliver annual carbon sequestration of 12,628 metric tonnes.

This project reflects EMPOWER's approach to community and environmental value: targeted partnerships, measurable activity, and alignment with national priorities – extending impact beyond our core operational footprint.

Beyond the boundary: 3,884 native trees planted to support biodiversity and climate resilience.

Social impact

Customer outcomes and digital experience

Delivering a world-class customer experience

Delivering a world-class customer experience is central to EMPOWER's mission and operating model. Our approach is built around service reliability, transparency, responsiveness and continuous improvement – supported by digital capabilities that simplify interactions and improve customer control over account management.

Benchmark service quality and reliability

EMPOWER maintains industry-leading service continuity, sustaining 99.94% network reliability and 24/7 availability. Structured operating processes and clear accountability across operations and customer-facing teams support consistent performance at scale.

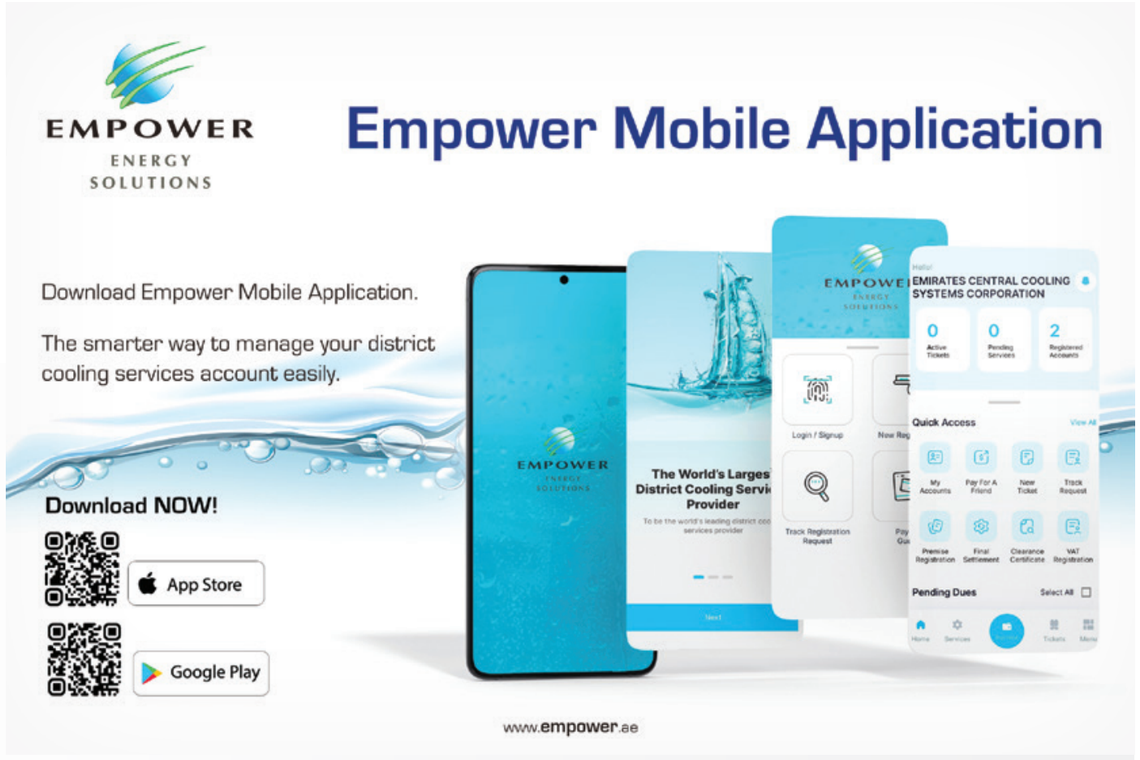
Customer trust is reflected in a 99.34% customer happiness rate, based on feedback captured through our Customer Service Centre and call centre interactions. To support responsive service and continuous improvement, EMPOWER operates an online complaint management system that enables root-cause analysis and provides customers with real-time tracking of requests and resolutions.

Digital transformation remains a key enabler of EMPOWER's strategy to enhance customer experience, increase transparency and improve operating efficiency.

Accelerating digital transformation

In 2025, EMPOWER launched its feature-packed mobile app, strengthening digital access to account services and supporting a sustained shift towards digital channels. As a result, bill payments processed through EMPOWER's digital payment channels and its strategic banking and financial partners reached 979,051 transactions, a 10% increase compared to the previous year.

EMPOWER also reported continued growth in customer onboarding, with new registrations increasing by 26% year-on-year, taking the total customer base to 156,000 by the end of 2025. In parallel, to facilitate business processes and improve service responsiveness, EMPOWER approved 46,876 No Objection Certificate (NOC) applications during the year, representing a 10% increase compared to 2024 and supporting more efficient engagement with consultants and contractors.



99.94%
Service reliability

99.34%
Customer happiness: Feedback at CS Centres

979,051
Digital bill payments processed

+26%
New registrations

03.
Governance and business ethics

Our “Optimising the Future” agenda is safeguarded by federal-tier governance and rigorous oversight. This section details the structures ensuring accountability and risk management, which fortify our defensive investment profile and protect the multi-decade contracted revenues essential to our growth.

Governance

Corporate governance report – 2025

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 our 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;
- the External Auditors; and
- 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:

Document	Description
Articles of Association (AoA)	• Defines the purpose of the business, the capital structure and the basic organizational framework
Organization structure	• Defines the organization 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 organization and responsibilities of the Board.
Board committee charters	• Defines the organization and responsibilities of the committees.
Code of Conduct	• Defines the Company's purpose, culture, values and behaviors 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.
Whistle-blowing 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 organization or cause financial loss (refer: https://www.empower.ae/contact-us/whistleblowing/).

1) Statement outlining the procedures taken to complete and enhannce the corporate governance system during 2025 and how these procedures will be applied.

The key activities implemented during 2025 include:

- Developed, adopted policies and enhanced the Corporate Governance framework within the Company.
- Board approved the Risk Appetite Statement.
- Ongoing implementation of Internal Control over Financial Reporting (ICOFR) in line with SCA recommended COSO standard.
- Ongoing implementation of Enterprise Risk Management in line with ISO 31000: 2018.
- Ongoing implementation of Compliance Program in line with ISO 37301:2021.

2) Statement detailing the ownership and transactions of board members, their spouses, and their children in the company's securities during 2025 according to the following table:

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 2025:

Director	Position	Shares owned as at 31 Dec 25	Total Sale	Total Purchase
H.E. Saeed Al Tayer	Chair	-	-	-
Mr. Hussain Lootah	Director	-	-	-
Mr. Nasser Lootah	Director	2,416	-	-
Mr. Amit Kaushal	Director	-	-	-
H.E. Issam Kazim	Director	-	-	-
Ms. Fatma Belrehif	Director	-	-	-
Mr. Majed Al Joker	Director	-	-	-

3) Composition of the Board of Directors:

a. Statement detailing the composition of the current Board of Directors (including the names of any members who have resigned or been appointed).

The Board currently consists of seven (7) members who were reappointed for a term of three (3) years from 2025 - 2028 at the General Assembly meeting held on 09th October 2025.

The Board discussed the constitution of its sub-committees and resolved to form the committee with effect from 09th October 2025

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The composition of the Board and its committees is as shown in the table below:

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

Profile of the current Board of Directors

H.E. Saeed Al Tayer

His Excellency Saeed Al Tayer serves as the Managing Director and Chief Executive Officer of Dubai Electricity and Water Authority (DEWA) PJSC since 1992. He has more than 35 years of experience in Dubai in the fields of telecommunications, energy and water. Under his leadership, DEWA group has achieved unprecedented success and is recognized today to be one of the most distinguished utilities world-wide.

His Excellency steered both DEWA and EMPOWER in their successful public listing, attracting overwhelming global demand. He is a Member of the Dubai Council, a member of the Dubai Executive Council and the Strategic Affairs Council, a member of the Dubai Supreme Fiscal Committee, Chairman of Emirates Central Cooling Systems Corporation PJSC (EMPOWER), Chairman of Dragon Oil Company, Vice Chairman of the board of directors of Emirates Global Aluminium, Chairman of Dubal Holding, Chairman of Oilfields Supply Center Limited, Chairman of Emirates National Oil Company, and the Vice Chairman of the Dubai Supreme Council of Energy. His Excellency Al Tayer also holds various positions and director roles both within and outside of the Group.

His Excellency received a number of prestigious awards such as the “Middle East Champion of Energy” award received at the World Green Economy Summit 2015 from the United Nations Development Programme (UNDP). On 18 May 2016, the UNDP appointed His Excellency as "UNDP National Goodwill Ambassador for Sustainable Development Goals". In addition, the Swiss Business Council, Dubai & Northern Emirates awarded His Excellency the prestigious “Lord of Matterhorn Award”. Moreover, His Excellency received an honorary doctorate from Amity University in Dubai in appreciation of his continuing innovative efforts to achieve excellence and enhance scientific knowledge and sustainability. His Excellency received the prestigious Honorary Fellowship from the Energy Institute, United Kingdom. His Excellency received the Excellence and Creative Engineering Award in the Leading Personnel Category from the Society of Engineers - UAE. Also, His Excellency has been awarded the "Life of Leadership Excellence Award" by the Sandhurst in London, United Kingdom as the first recipient of this globally prestigious award in the civilian sector.

Mr. Hussain Lootah

Engineer Hussain Lootah, a UAE National, accredited with 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 DEWA.

Apart from leading the division and contributing towards the organisation pursuit of excellence, Mr. Lootah is a vital member of various decision-making, operational, technical and performance management committees within DEWA, is a member of the Board of directors of several organisations and a graduate of MBR Centre for Leadership Development. Mr. Lootah has been serving as a Director of the Company since 2006.

Mr. Nasser Lootah

Mr. Nasser Lootah has been serving the Company as a Director since 2010. He was the Chairman of Finance & Audit Committee and member of Technical Committee from August 2017 to October 2022. He was the Chairman of Nomination, Remuneration & ESG Committee from October 2022 to May 2024 and currently he serves as a member. He is a member of Audit & Risk Committee since October 2022 and member of Technical Committee from October 2023. 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, Hassyan Water Company A and Noor Energy 1. He is also a member of the Board of Trustees in UAE Water Aid Foundation, SUQIA since 2015 and a Director of Oilfields Supply Center Ltd from 2021. 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. Amit Kaushal has been serving as a Director of the Company since 2021.

Mr. Amit Kaushal is Dubai Holding’s Group Chief Executive Officer, a role he has held since February 2018. Since his appointment, he has been at the helm of the Group’s transformation and remarkable growth, delivering on the vision of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai for a sustainable, innovation-led future economy, leveraging its ecosystem across multiple sectors including real estate, hospitality, retail, media, leisure and entertainment.

Over the past eight years, under Amit’s leadership, the Group concluded landmark transactions, accelerating transformation and sustainable value creation. It has gone from strength to strength, solidifying its strong local foundations, expanding its global footprint and establishing itself as a true leader of tomorrow. During this period, Dubai Holding further expanded its investments to over 30 countries, driving diversification across key sectors, including real estate, hospitality, media and entertainment.

Amit has overseen successful landmark integrations into Dubai Holding over the years. Leading real estate developers Nakheel

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and Meydan were integrated in 2024, DXB Entertainments was integrated in 2021, after it was taken private and delisted from the Dubai Financial Market (DFM) and leading real estate developer Meraas was integrated in 2020. These key integration initiatives enabled a streamlining of operations, a realisation of multiple synergies across the Group and overall sustainable economic growth.

Amit's leadership was also pivotal in the successful public DFM listings in 2022 of TECOM Group PJSC (TECOM), the Group's operator of business destinations, and Emirates Central Cooling Systems Corporation PJSC (EMPOWER), the world's largest district cooling service provider. In May 2025, Dubai Holding's residential leasing business, Dubai Residential, was incorporated as a real estate investment fund (REIT) and publicly listed its units on the DFM.

Under Amit's leadership, Dubai Holding also made strategic stake acquisitions in leading UAE real estate developer Emaar Properties and in Emirates NBD, one of the region's largest banks, with Dubai Holding becoming the second largest shareholder in each of those listed entities respectively, thus strengthening Dubai Holding's position as a key shareholder in major listed companies.

Strategic partnerships have also been a hallmark of Amit's tenure, including, most recently, an agreement with Palantir Technologies to establish Aither – the technology company's first joint venture in the UAE as well as the acquisition of a stake in Nord Anglia Education as part of a consortium of leading global investors and the structured equity co-investment alongside Ares Insurance Partners in Aspida, a fast-growing fixed annuity platform. Earlier partnerships included the joint venture with Brookfield Asset Management and the joint venture with leading UAE real estate developer Aldar Properties.

The above initiatives, together with various fund investments and tactical co-investments across the private equity, private credit, venture capital and infrastructure asset classes, contribute to the diversification of Dubai Holding.

Amit has additionally played a key role in expanding the Group's global luxury hospitality portfolio with strategic acquisitions of flagship properties in France, Switzerland, Italy and the Maldives. In 2025, Jumeirah launched Marsa Al Arab, the latest addition to the Jumeirah portfolio in Dubai, further elevating the luxury brand's local presence. The Group's real estate business continued to evolve into one of the largest real estate development businesses in Dubai under Amit's stewardship.

In addition to his executive leadership, Amit serves on the boards of several regional and international organisations, including TECOM and EMPOWER. He also contributes to governance and strategic oversight as a member of various committees, such as the Audit and Risk Committees of TECOM and EMPOWER. Additionally, he chairs the Executive Committee and sits on the Investment Committee of Shamal Holding LLC and serves on the Advisory Board of Warwick Business School in the UK and on the Board of Trustees of the British University in Dubai.

Before joining Dubai Holding, Amit gained over a decade of experience in financial services with leading investment banks, including Goldman Sachs, UBS and Deutsche Bank, where he specialised in transaction advisory, structuring and capital markets.

Amit holds a Master of Philosophy degree in Finance from the University of Cambridge (UK) and a BSc (First Class Hons.) in Mathematics, Operational Research, Statistics and Economics from the University of Warwick (UK).

H.E. Issam Kazim

His Excellency Issam Abdulrahim Kazim was appointed in 2014 as the first Chief Executive Officer of the Dubai Corporation for Tourism and Commerce Marketing (DCTCM), a subsidiary of the Dubai Department of Economy and Tourism (DET). He spearheads a comprehensive global marketing communications strategy aligned with the goals of the Dubai Economic Agenda, D33 to further consolidate Dubai's position as a leading global destination for business and leisure, and make it the world's best city to visit, live, work and invest in.

Leading a team of more than 200 professionals working across 80+ international markets, Kazim is continuously advancing DET's efforts to cultivate strong relationships with industry stakeholders and investors, fuelling the growth of the city's tourism sector and amplifying its overall economic impact.

His focus on advocacy by visitors and residents alike has been instrumental in enhancing Dubai's global reputation, and his tenure has been marked by major achievements, including Dubai's unprecedented recognition as the No.1 global destination in the Tripadvisor Travellers' Choice Awards for three consecutive years (2022–2024).

Kazim has forged and leveraged partnerships to further propel the city's growth, from collaborations with major global brands to alliances with key tourism industry players, turning the spotlight on Dubai as a gastronomy hub by bringing the MICHELIN Guide to Dubai for the first time in 2022, and securing landmark partnerships, such as with Real Madrid, that give the city further global visibility.

Kazim serves as the Chairman of the Dubai Film Development Committee, established under the Dubai Media Council (DMC) to spearhead initiatives aimed at strengthening Dubai's position as a global hub for media production. He is also a member of the Board of the Dubai Media Council.

He is also a member of the Dubai International Communications Committee, which engages with international media to protect and enhance Dubai's global image. Additionally, he is a board member of EMPOWER, the world's largest district cooling services provider.

Before his current role, Kazim served as the Director of DXB Live and Commercial at Dubai World Trade Centre (DWTC), where he successfully launched live events, including Dubai Music Week, Dubai Sports World, and Dubai Classics. He also previously held the role of Director of Corporate Marketing and Communication at DWTC.

Ms. Fatma Belrehif

Ms. Belrehif has been serving as Director of the Company since 2022. She also serves as the Chief Executive Officer of Education Quality Assurance and Compliance Agency at the Knowledge & Human Development Authority, which sets the standards for and assures the quality of private education across all levels in Dubai. Over the past decade, she has led the Dubai Schools Inspection Bureau and was instrumental in developing rigorous quality standards and performance indicators to evaluate education quality. Her efforts significantly raised educational outcomes for all learners. She also played a pivotal role in ensuring Dubai's private schools surpassed the UAE National Agenda 2021 education targets, ranking among the top 10 globally in international assessments.

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 Centre for Leadership Development. She is also a graduate of the Advanced Management Program 2024 at the Wharton School.

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.

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b. Statement of the percentage of female representation on the Board of Directors for 2025 (If there is no representation, please state that explicitly)

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

c. Statement of the reasons for not nominating any female candidate for membership on the Board of Directors.

Not applicable.

d. Statement of the bonuses, 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 2024:

Remuneration for 2024 paid in 2025 after approval at last AGM amounts to AED 5,880,000/- (including sitting fees).

ii. The total remuneration proposed for the members of the Board of Directors for the year 2025, which will be presented at the annual general meeting for approval:

The Board remuneration proposal for 2025 is AED 5,995,000/- (including sitting fees), which 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 2025:

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

No.	Name	Allowances for attending sessions of committees of the Board of Directors		
		Committee Name	Allowance Value (AED)	Number of Meetings
1	Mr. Hussain Lootah	Audit & Risk Committee	60,000	6
		Nomination & Remuneration Committee (NRC)	30,000	3
2	Mr. Nasser Lootah	Audit & Risk Committee	60,000	6
		Nomination & Remuneration Committee (NRC)	30,000	3
3	Mr. Amit Kaushal	Audit & Risk Committee	60,000	6
		Nomination & Remuneration Committee (NRC)	30,000	3
4	H.E. Issam Kazim	Audit & Risk Committee	90,000	6
5	Ms. Fatma Belrehif	Audit & Risk Committee	60,000	6
		Nomination & Remuneration Committee (NRC)	30,000	3
6	Mr. Majed Al Joker	Nomination & Remuneration Committee (NRC)	45,000	3

iv. Details of any additional allowances, salaries or fees received by a member of the Board of Directors other than committee attendance allowances, and their reasons:

Nil.

v. The number of board meetings held during the fiscal year 2025 indicating the dates of their holding, and the number of personal attendance times for all members with a statement of members attending by proxy (the names of the Board of Directors must align with what is mentioned in Clause (3a) above):

The Board held 6 meetings as detailed below:

Director	Position	14 February 2025	06 March 2025	09 May 2025	04 August 2025	06 November 2025	12 December 2025
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	A	P	P	P
H.E. Issam Kazim	Director	P	P	P	P	P	P
Ms. Fatma Belrehif	Director	P	P	P	P	P	P
Mr. Majed Al Joker	Director	P	P	P	P	P	P

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

vi. The number of board decisions passed by circulation during the fiscal year 2025, with an indication of the dates of their convening:

EMPOWER's Board makes resolutions by circulation in limited exceptional circumstances necessitating the issuance of such a resolution by circulation. 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 decision. Further, all the decision passed by circulation are adopted in minutes of subsequent board meeting.

The Board passed 1 resolutions by circulation during the year 2025 on the following dates:

- 08th September 2025

4) Committees of the Board of Directors

The Audit Committee:

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

H.E. Issam Kazim, 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 Meeting on 19 March 2025. 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 2025:

- Reviewed and endorsed the 2025 quarterly financial statements and 2024 full year financial statements.
- Reviewed key accounting matters and issues.
- Reviewed liquidity position.
- Completed the external auditor's assessment.
- Reviewed internal audit reports.
- Reviewed proposed changes to ARC Charter
- Initiated implementation of Internal Control over Financial Reporting (ICOFR) in line with SCA recommended COSO standard.
- Initiated implementation of Enterprise Risk Management in line with ISO 31000: 2018,
- Initiated implementation of Compliance Program in line with ISO 37301:2021,

b. Names of the members of the Audit Committee, and a statement of their competencies and assigned responsibilities:

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.

Corporate governance report – 2025

The Board of Directors reassessed the committee members independence according to the amendments made to Governance Guide issued by SCA. Based on the assessment, the Committee was reconstituted in 2024.

The Board has also expanded Audit and Risk Committee, increasing the number of members to five during the year 2024. This reflects the Board's commitment to strengthen Corporate Governance by ensuring more thorough oversight and improved risk management.

Board members were relected in General Assembly meeting held on 9-Oct-25 and accordingly, the Audit Committee was also reconstituted with effect from 9-Oct-25 and consists of the following members:

Director	Position
H.E. Issam Kazim	Chair
Mr. Hussain Lootah	Member
Mr. Nasser Lootah	Member
Mr. Amit Kaushal	Member
Ms. Fatma Belrehif	Member

c. *The number of meetings held by the Audit Committee during the year 2025 and their dates to discuss issues related to the financial statements and any other matters, and a statement of the number of times the personal attendance times of the members in the held meetings:*

Date of Meeting	Number of Attendees	Names of Absent Members
12 February 2025	6	-
04 March 2025	6	-
02 May 2025	6	-
24 June 2025	6	-
13 July 2025	6	-
03 November 2025	6	-

d. *Annual Audit Committee report:*

This Annual Audit Committee Report summarises the Committee's oversight activities during the year 2025 in line with the Securities and Commodities Authority's Governance Guide. It covers the Committee's comprehensive review of financial statements, including revenue recognition, business combinations, impairment testing, corporate taxation, and the adoption of new accounting standards, while ensuring the independence and effectiveness of the external audit process. The report also outlines measures taken to strengthen internal controls and risk management, maintain oversight of internal audit findings, and govern related party transactions, underscoring EMPOWER's commitment to transparency, accountability, and robust financial stewardship at the highest levels.

1. Significant matters considered by the Committee in relation to the financial statements and how these matters were addressed.

The primary role of the Audit and Risk Committee ('the Committee") in relation to financial reporting is to review with both management and the external auditor the appropriateness of the quarterly, half-yearly and annual financial statements. Summarized below are some of the significant issues that the Committee considered in relation to the financial statements during the year (extracts only provided):

- **UAE Corporate Tax –** Reviewed corporate tax positions, including deferred tax liabilities to ensure accurate representation in the consolidated financial statements.
- **Liquidity assessment –** Reviewing the net current asset position at each reporting date to effectively manage the liquidity requirements of the company including borrowing restructuring (short-term to long-term).
- **Endorsed Framework for ICFR –** ARC reviewed and endorsed to the Board the proposed Internal Control over Financial Reporting Framework (ICFR) for approval.
- **Analysis of trade receivables** on a quarterly basis along with its ageing.

2. The assessment methodology applied in evaluating the effectiveness of the external audit process and the independence of the external auditor, the approach to the appointment or reappointment of the auditor, and the tenure of the current audit firm

In line with the Committee's responsibility to review and appoint the external auditors and approve their remuneration and terms of engagement, in 2025 the Committee monitored PricewaterhouseCoopers (PwC's) independence, objectivity and performance with reference to reports from PwC during the year covering the overall audit approach and the progress and results of the audit.

The Committee also monitors and approves any non-audit services to be provided by the external auditors. The appointment / re-appointment of the external auditor is carried out after a detailed review of the audit firm's ranking, reputation and expertise in delivering a high-quality audit.

EMPOWER was listed during the year 2022 and PwC has been serving as EMPOWER's external auditor during the years 2022 to 2025 (with partner changing during the year 2023). Throughout this period, PwC has consistently demonstrated a high level of competence and professionalism, thereby enhancing the reliability and robustness of the Group's financial reporting. The Committee considers the reappointment of the external auditor including the rotation of the audit partner, with the external audit firm rotated after every six years and audit partner rotated after every three years. The current lead audit partner has been in place for three years. During this time, PwC's team has consistently demonstrated a high level of competence and professionalism, contributing to the reliability and robustness of our financial reporting.

Considering the above, a resolution proposing the appointment of external auditor will be put forward to the shareholders at the AGM to be held in 2026. There are no contractual obligations restricting the Committee's choice of external auditor.

3. A statement of the committee's recommendation regarding the appointment, reappointment or dismissal of the external auditor, and the reasons for the Board of Directors not accepting that recommendation.

For 2025, the Audit Committee had recommended, and the Board had accepted, the reappointment of PwC as the company's external auditor, which was approved during the AGM held on 19th March 2025. This recommendation was based on PwC's consistent quality of service, strong understanding of the company's business operations, and strict adherence to relevant regulatory standards.

For 2026, the Audit Committee has submitted its recommendation on the external auditor for the upcoming financial year, based on assessment of technical expertise, independence, service quality, and commercial terms. In line with governance requirements, the Board of Directors has endorsed the recommendation for submission to the shareholders, with the final appointment to be confirmed at the AGM.

This reflects the Board's commitment to maintaining rigorous financial oversight and stability

4. An explanation of how to ensure the independence of the external auditor if he provides services other than auditing the company's accounts.

Non-audit services provided by the external auditors require approval by the Committee. Approval is given on the basis that the service will not compromise independence and is a natural extension of the audit or there are overriding business or efficiency reasons making the external auditors most suited to provide the service. Certain services are prohibited from being performed by the external auditors as required under the SCA Corporate Governance Guide.

The Audit Committee also receives a written confirmation from PwC regarding their independence annually.

For the 2025, the Committee has reviewed and approved the audit fees, ensuring that the total fee amount did not compromise the auditor's independence or objectivity.

During the year 2025, no non-audit services were provided by PwC.

5. Actions that the Committee has taken or will be taken to address any deficiencies or weaknesses in the event of any failures in internal control or risk management.

The Audit Committee reviews management reports, external and internal audit reports at regular intervals. In 2025, the Audit Committee had met six times to oversee policies and procedures, financial statements, external and internal audit reports. The committee reviewed presentation and report from consultant carrying out ICFR review. The committee also reviewed the implementation of ERM system and compliance program. Audit committee reviewed, approved and endorsed to the Board for approval of the Risk Appetite Statement.

6. Evidence that the committee reviews all medium- and high-risk reports issued by internal audit to determine whether they arise from major failures or weaknesses in internal control.

In 2025, the Committee conducted three (3) reviews of consolidated Internal Audit reports comprising medium- and high-risk audit findings, together with the corresponding management action plans developed to address identified internal control weaknesses. The Committee also reviewed the status of implementation of agreed management actions, including progress updates, completion timelines, and any overdue corrective measures requiring further attention.

The Internal Audit function continued to apply a risk-based methodology in the planning and execution of audit engagements, aligned with the approved Annual Internal Audit Plan. The Committee reviewed and endorsed the risk assessment and audit plan presented by the Internal Audit Department to ensure that high and medium-risk areas were adequately identified, prioritized, and appropriately covered. Any necessary adjustments to the audit plan were discussed and approved in response to emerging risks and evolving business priorities.

7. Comprehensive information about the corrective treatment plan in the event of fundamental deficiencies in the areas of risk management and internal control systems.

The Committee is pursuing the following actions to assess and remediate any deficiencies in the areas of risk management and internal control systems:

- Implementing Internal Control over Financial Reporting (ICoFR) in line with SCA recommended COSO framework;
- Implementing Enterprise Risk Management in line with Global standards;

8. Evidence that the committee reviewed all transactions concluded with related parties and the observations or results that resulted from them and the extent of compliance with the applicable laws in this regard.

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 2025 provides the key related party transactions that were carried out in the normal course of business on the terms agreed between the parties.

Nomination and Remuneration Committee:

a. *An acknowledgement by the Chairman of the Nomination and Remuneration Committee of his responsibility for overseeing the committee system within the company and for reviewing its operations and ensuring its effectiveness:*

Mr. Majed Al Joker, 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 along with a statement of its powers and assigned tasks:*

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 Board of Directors reassessed the committee members independence according to the amendments made to Governance Guide issued by SCA. Based on the assessment, the Committee was reconstituted in the year 2024.

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During the year 2024, the Board has also expanded NR&ESG Committee, increasing the number of members to five. The Board's decision to increase the members of the NR&ESG Committee strengthens corporate governance by fostering more comprehensive oversight of executive appointments, compensation practices, and environmental, social and governance initiatives. This reflects the Board's commitment to strengthen Corporate Governance and ensure effective oversight.

Board members were relected in General Assembly meeting held on 9-Oct-25 and accordingly, the Audit Committee was also reconstituted with effect from 9-Oct-25 and consists of the following members:

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

c. *A statement of the number of meetings held by the Committee during the year 2025 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
29th January 2025	5	-
27th February 2025	5	-
25th December 2025	5	-

Committee to follow up and supervise the dealings of insiders:

a. *Acknowledgment from the chairman of the committee or the authorized individual responsible for the committee system within the company and for reviewing its operations 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.

b. *Names of the members of the committee tasked with monitoring and supervising transactions of stakeholders, along with a statement detailing its powers and assigned tasks:*

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. Amr ElSaid Habib	Member

c. *Summary of the committee's work report for 2025. (If the committee has not been established, reasons for its absence will be provided):*

The Committee reviewed the Company's insider list to ensure completeness in line with the regulatory requirements. In addition, the Committee conducted a compliance review of the Company's Insider Dealing Policy through an engagement performed by the Internal Audit Department covering the period from January 2025 to November 2025, and the findings were reported to the Audit and Risk Committee.

Other committees approved by the Board of Directors:

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

a. *Acknowledgment from the chairman of the committee of his responsibility for the committee system within the company and for reviewing its operations 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 the members of each committee, along with a statement detailing their powers and assigned tasks.*

The 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.

Board members were reelected in General Assembly meeting held on 9-Oct-25 and accordingly, the Technical Committee was also reconstituted with effect from 9-Oct-25 and consists of the following members:

Name	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 2025 and the dates of those meetings, including the number of the personal attendance times of all members of the committee.*

The Committee has been involved on a continuous basis to review and approve procurement related documents as per the approved DOA.

vii. *Statement of the tasks and powers of the Board of Directors carried out by a member of the Board or the Executive Management during 2025 based on a delegation from the Board, specifying the duration and validity of the delegation according to the following table:*

The Board has delegated the day-to-day management to the Chief Executive Officer. The Board has defined and approved the Company's delegation of authority, which determines the limits that may be approved by the Chief Executive Officer, Technical Committee & Chairman of the Board, Technical Committee & the Board of Directors. This delegation of authority 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 2025:

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 2025 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 2025, and carried out during the year in the normal course of business on the terms agreed between the parties.

5) Assessment of the Board of Directors:

Assessment of the board, its committees, and executive management:

A. The annual assessment of the performance of the board of directors, its members and committees. (The assessment can be carried out by the Nominations and Remuneration Committee or by the chairman, with assistance from the board's secretary, as needed. Independent consultants may also be engaged, if required, to help the board of directors with this process).

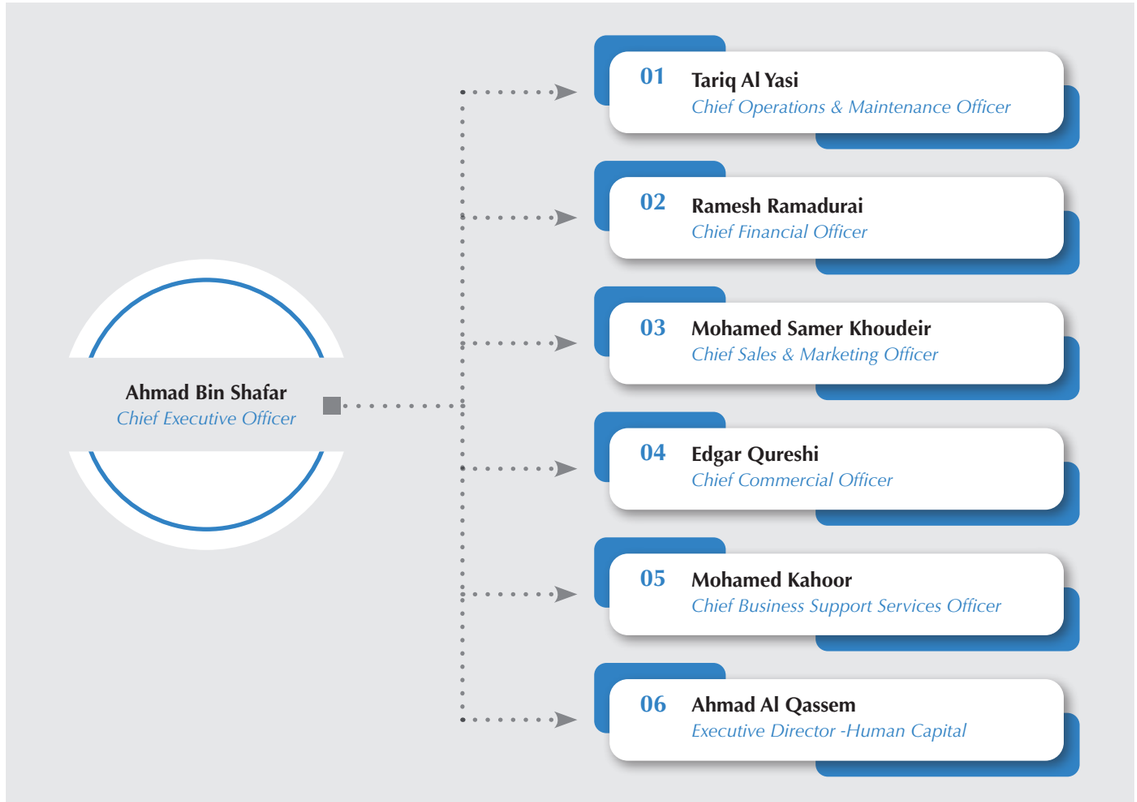
The Chairman of the Board and the Nomination and Remuneration Committee carried out an annual evaluation of the Board and its committees for the year 2025.

B. Assessment of the company's board of directors, its members, and committees by an independent professional entity without any interest or relationship with the company, its board members, or executive management. (The board will engage an independent professional entity to assess the performance of the board, its members, and committees every third year).

The Board engaged Nasdaq Compliance & Board Advisory Services, an independent professional entity, to conduct an evaluation of the Board, its members, and its committees during 2025 in line with the Corporate Governance Guide.

6) Organizational Structure and Executive Management:

The full organizational structure of the Company:



Corporate governance report – 2025

Mr. Ahmad Bin Shafar – *Chief Executive Officer*

Mr. Bin Shafar joined the Company and has been serving as its Chief Executive Officer since inception. Mr. Bin Shafar has been with the Company for 22 years and brings over 30 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 and, as Chariman of DXB CoolCO FZCO since 2023, as a Board Member Emeritus of the International District Energy Association, since 2013, as Chairman of District Cooling Operators' Association, Dubai since 2020, and as a member of the Board of Dubai Sports Council, from 2009 to 2022. Mr. Bin Shafar also served as 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 28 years of experience and has been with the Company for 19 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 is also a Board Member of DXB CoolCO FZCO. and 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 36 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 and a member of the Board of DXB CoolCO FZCO since 2023. 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 35 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 serves as the General Manager and board member of ELIPS. He is also a Board Member of DXB CoolCO FZCO. 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.

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 30 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 and DXB CoolCo. 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.

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 37 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.

Corporate governance report – 2025

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.

ix. A detailed statement of the senior executive employees in the first and second ranks according to what is stated in the company's organizational structure, their jobs, dates of appointment, and 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

**The bonuses for 2025 and any salary increments for 2026 will be considered by the NR and ESG Committee and approved by the Board in H1 2026. The total salaries and allowances paid for 2025 including bonus for 2024 to the senior management of the Company is AED 25,801,120 /-*

7) 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 41 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 firm	• Audit Firm - PricewaterhouseCoopers Limited Partnership Dubai Branch
Name of the partner Auditor	• Partner – Mr. Murad Alnsour / Ms. Liana Kalakesh
The number of years spent as the company's external auditor	• Four years
The number of years the partner auditor spent auditing the company's accounts.	• Three years
Total value of Audit fees 2025 (in AED).	• AED 1,732,500.00
Details and nature of other services provided by the Company's auditor (if any). In the event that there are no other services, this shall be stated explicitly.	• No other services were provided by the Company's auditors.
The value of fees and costs incurred for other special services other than auditing the financial statements for 2025 (in AED), if any. In the event that there are no other fees, this shall be stated explicitly.	• Nil
A statement of other services performed by an external auditor other than the company auditor during 2025 (if any). In the event that there are no services provided by another external auditor, this shall be stated explicitly.	• Deloitte was engaged to provide consulting services in relation to UAE Corporate tax and Internal Control over Financial reporting (ICOFR) in line with SCA recommended COSO standards for a fee of AED 453,500. • EY Consulting LLC was engaged to provide the consulting services with respect to a feasibility study for a fee of AED 678,679.

c. A statement showing the reservations that the Company's auditor included in the interim and annual financial statements for the year 2025. 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 2025.

8) Internal Control System:

a. Acknowledgment by the Board of its responsibility for the company's internal control system and for reviewing its operations and ensuring its effectiveness:

The Board acknowledges its responsibility for the Company's Internal Control system, including review and ensuring its effectiveness. To effectively discharge this obligation, the Board has formed an Audit & Risk Committee (the "Committee") with a mandate to oversee, review, assess the effectiveness of the Company's corporate governance, disclosures, internal controls, 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. Further, to ensure robust internal control system at EMPOWER, the Committee has taken initiative to implement "Internal control over Financial reporting" (ICoFR) in line with SCA recommended COSO standard, Enterprise Risk Management in line with ISO 31000: 2018 and Compliance Program in line with ISO 37301:2021

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

The Internal Audit Department is headed by Mr. Amr ElSaid Habib, Director of Internal Audit. He was appointed to this role in June 2025.

Mr. Habib is a highly experienced audit and risk professional with over 29 years of experience in internal and external audit, enterprise risk management, and corporate governance across diversified sectors. He holds professional certifications as a Certified Public Accountant (CPA), Certified Internal Controls Auditor (CICA), and Certified Fraud Examiner (CFE).

Prior to joining EMPOWER, Mr. Habib held senior leadership positions including Director of Internal Audit & Risk at Emirates District Cooling and Senior Audit Controller at the Dubai Financial Audit Authority. He also served in senior assurance roles at KPMG, leading financial audit and regulatory compliance engagements across multiple industries.

Mr. Habib has extensive expertise in establishing and strengthening internal audit functions in alignment with Global Internal Audit Standards (GIAS), implementing risk-based audit methodologies, enhancing Internal Control over Financial Reporting (ICoFR), and supporting the development of robust governance and risk management frameworks.

He holds a Bachelor of Science in Accounting from Cairo University.

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

Name of the Compliance Officer: Mr. Rafiq Al Shahbaz is the Compliance officer for EMPOWER. He joined EMPOWER in 2006. He 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 (If no major problems have occurred, this should also be stated):

The Internal Audit Department adopts a risk-based approach in planning and executing its annual audit activities. Audit engagements are designed to identify key risks, control gaps, and operational challenges across the Company's critical business processes and strategic functions.

Corporate governance report – 2025

Where control weaknesses or improvement opportunities are identified, detailed recommendations are provided to management together with agreed corrective action plans and implementation timelines. Progress against these action plans is subject to structured follow-up and is periodically reported to the Audit & Risk Committee to ensure accountability and timely remediation.

During 2025, the Internal Audit Department conducted twenty-four (24) reviews, structured under the following four major categories:

1. Governance & Regulatory Reviews (5 engagements) – comprising one (1) Corporate Governance Review and four (4) Regulatory & Compliance Reviews;
2. Operational & Business Process Reviews (11 engagements) – covering Operations & Maintenance (O&M), Projects, Commercial, Sales & Marketing, Business Support Services, Legal & Board Secretarial practices, and Human Capital;
3. Financial & Subsidiary Reviews (4 engagements) – including three (3) Financial Reviews and one (1) Subsidiary Review;
4. Technology & Technical Site Reviews (4 engagements) – consisting of two (2) IT Reviews, one (1) District Cooling Plant Site Audit, and one (1) Project Site Audit.

These reviews covered high-risk areas and key operational functions of the Company. The findings and related management action plans were formally presented to the Audit & Risk Committee, and corrective measures are being implemented in accordance with agreed timelines.

There were no major problems or material control failures reported during the year 2025.

The Company is currently in the process of recruiting an experienced Senior Manager Governance & Risk as well as a dedicated Compliance Officer to further strengthen the governance and compliance framework.

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

During the year 2025, the Internal Audit Department delivered three (3) formal audit presentations to the Audit & Risk Committee of the Board of Directors.

These presentations provided the Committee with:

1. Comprehensive summaries of key audit findings arising from completed engagements, together with management's agreed action plans, responsible owners, and implementation timelines;
2. Periodic follow-up reports on the status of previously agreed corrective actions, highlighting progress made, overdue items, and areas requiring further management attention; and
3. Updates on the execution of the approved risk-based Internal Audit Plan, including progress against planned engagements and any scope adjustments made in response to emerging risks or changing business priorities.

Through these structured presentations, the Internal Audit Department provided independent assurance to the Audit & Risk Committee on the adequacy and effectiveness of the Company's internal control environment, governance practices, and risk management framework

9) Details of the violations committed during the year 2025 and an explanation of their causes, and how to address them and avoid their recurrence in future:

There were no violations committed during the year 2025.

10) A statement of the cash and in-kind contributions made by the Company during 2025 to support local community development and environmental preservation. (If no contributions were made, this should be explicitly stated).

S. No.	Description	Value (AED)
1	Observed International Women's Day and initiated interactive workshop for People of Determination Week	4,500
2	Ramadan Iftar meals for all Muslim staff (total of 15,750 meals)	102,087
3	Blood donation (in collaboration with the Dubai Blood Donation Center, 2 campaign) for 700 donors	7,350
4	Father's Day – celebrated Father's day at the Senior happiness center	3,676
5	Breast Cancer awareness campaign	4,638
6	Sponsorship for the Al Jamaheer Program on Dubai TV	150,000
7	WETEX 2025 – Strategic Sponsorship	476,190

11) 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 2025:

The share price activity for the fiscal year 2025 is tabulated below.

2025	High (AED)	Low (AED)	Close (AED)
January	1.90	1.72	1.75
February	1.78	1.65	1.66
March	1.67	1.46	1.62
April	1.68	1.45	1.61
May	1.65	1.51	1.53
June	1.70	1.54	1.66
July	1.78	1.64	1.73
August	1.77	1.66	1.66
September	1.72	1.55	1.62
October	1.72	1.57	1.58
November	1.65	1.53	1.56
December	1.59	1.52	1.54

b. A comparative performance statement of the company's share relative to the general market index and the sector index to which the company belongs during 2025:

2025	EMPOWER (AED)	DFMGI	Utilities Index
January	1.75	5,180.37	957.62
February	1.66	5,317.63	956.32
March	1.62	5,096.24	914.57
April	1.61	5,307.15	973.04
May	1.53	5,480.51	980.50
June	1.66	5,705.76	1,022.76
July	1.73	6,159.15	1,016.22
August	1.66	6,063.61	1,006.09
September	1.62	5,839.64	989.07
October	1.58	6,059.43	1,010.10
November	1.56	5,836.89	994.68
December	1.54	6,047.09	1,008.31

c. Statement of the distribution of shareholder ownership as of 31/12/2025 (individuals, companies, governments) classified as follows:

No.	Shareholder Classification	Percentage of shares owned			
		Individuals	Companies	Government	Total
1	Local	2.75%	29.24%	57.17%	**89.17%**
2	Arab	0.43%	1.69%	-	**2.12%**
3	Foreign	0.34%	8.17%	0.21%	**8.72%**
4	**Total**	**3.52%**	**39.10%**	**57.37%**	**100.00%**

d. A statement of the shareholders who own 5% or more of the Company's capital as of 31-Dec-2025:

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%

e. Statement of shareholder distribution according to the volume of ownership as of 31/12/2025:

Share ownership (shares)	No. of shareholders	No. of shares owned	The proportion of shares owned by the capital
Less than 50,000	12,865	34,025,300	0.22%
From 50,000 to less than 500,000	497	78,624,999	0.79%
From 500,000 to less than 5,000,000	249	403,457,507	4.03%
More than 5,000,000	65	9,483,892,194	94.84%

f. Statement detailing the procedures undertaken regarding investor relation controls, indicating 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**

Corporate governance report – 2025

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

Link: **https://www.empower.ae/investor-relations/**

g. A statement of the special decisions presented at the General Assembly held during the year 2025 and the actions taken in relation thereto:

The Company held its Annual General Assembly on 19th March 2025. No special decision was presented in the General Assembly held during the year 2025.

The company also held a General Assembly Meeting on 09th October 2025. No special decision was presented in the meeting.

h. Name of the rapporteur 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 functions of Board Secretary and continued in the capacity throughout 2024 and until part of 2025. During part of 2025, Mrs. Nour Al Jafari, representing INP, performed the duties of Board Secretary. Subsequently, in 2025, Mr. Hadi Dou was appointed as a full-time employee of the company and designated as the Board Secretary.

i. Detailed statement of the fundamental events and important disclosures that the company encountered during 2025:

- Ahmad Bin Shafar was named among The Dubai 100, Arabian Business's prestigious list of the most influential people in the emirate 2025.
- Ahmad Bin Shafar was named among the 150 most influential Arabs 2025 in Arabian Business magazine.
- Ahmad Bin Shafar was named among Forbes' Top Sustainability Leaders 2025
- EMPOWER has won the Gold Impact seal from the National CSR Fund (MAJRA), which is the highest federal recognition for sustainable practices in private companies, at the inaugural Impact Summit 2025 held in Abu Dhabi.
- EMPOWER won three global awards at the IDEA 2025 Annual Conference and Trade Show. The company won two gold awards in the categories Total Number of Buildings Committed & Total Building Area Committed for district cooling services outside North America. Additionally, EMPOWER received the prestigious Innovation Award Honorable Mention for District Cooling Plant Optimisation Using Machine Learning.
- EMPOWER also received the Dubai Chamber of Commerce Environmental, Social and Governance (ESG) Label, emphasising its commitment to best practices in responsible business.
- Gold LEED certification for Green Buildings awarded to the DLRC District Cooling Plant by the United States Green Building Council.
- EMPOWER & ELIPS renewed their ISO certifications. The companies were re-certified for ISO 9001:2015 (Quality Management Systems), ISO 14001:2015 (Environmental Management Systems), and ISO 45001:2018 (Occupational Health and Safety Management System).
- EMPOWER has also successfully completed the surveillance audit for Information Security Management System standard (ISO27001:2022) with Bureau Veritas.
- EMPOWER has launched a smartphone application to serve its individual and corporate customers. The app, compatible with Android and Apple devices, and available to download on the Apple Store and Google Play Store.
- EMPOWER launches summer campaign 'Set and Save 24°C' and encourages its customers to reduce energy consumption and bills.
- EMPOWER Sponsors the International District Energy Association (IDEA) Conferences for 2025 as a Diamond Sponsor.
- EMPOWER has announced its strategic sponsorship of the 27th edition of the Water, Energy, Technology, and Environment Exhibition (WETEX 2025)
- EMPOWER sponsors the International District Energy Conference for Latin America and the Caribbean (LAC2025).
- EMPOWER signed an agreement with DMCC (Dubai Multi Commodities Centre) to supply the next phase of Uptown Dubai with environmentally friendly district cooling services, for a capacity of 24,675 refrigeration tons (RT).
- EMPOWER signed an agreement with Wasl Group to provide district cooling services to The Island project in Dubai with a capacity of 23,853 refrigeration tons (RT).
- EMPOWER signed an agreement to supply environmentally friendly district cooling services to the Palm Gateway project in Palm Jumeirah, Dubai, for a total cooling capacity of 9,470 refrigeration tons (RT).
- EMPOWER has commenced supplying its district cooling services to the first phase of the Al Habtoor Tower project for a total cooling capacity 7,200 refrigeration tons (RT).
- EMPOWER has commenced operations of its Deira Waterfront district cooling plant. The company stated that the plant has a total cooling capacity of 39,000 refrigeration tons (RT) and will provide district cooling services to more than 46 buildings within the Deira Waterfront area.
- EMPOWER begins construction of its second 37,000 RT district cooling plant in Jumeirah Village.
- EMPOWER has signed a contract to design a new district cooling plant at Dubai Science Park. The new plant will have a total production capacity of 47,000 Refrigeration Tons (RT) and will serve nearly 80 mixed-use buildings in the area.
- EMPOWER announced the awarding of the excavation and foundation works contract for a new district cooling plant in Al Sufouh 2 area. The new plant will have a cooling capacity of 23,400 Refrigeration Tons (RT).
- EMPOWER took part in the International Energy Leadership Programme organised by the Government Experience Exchange Office at the Ministry of Cabinet Affairs of the UAE.
- EMPOWER participated in the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) Conference and Exhibition, HVACR Nexus 2025, in Dubai, and H.E. Ahmad Bin Shafar delivered an opening keynote speech.
- H.E. Ahmad Bin Shafar meets Mayor of Recoleta, during the company's participation in the International District Energy Conference for Latin America and the Caribbean (LAC2025) Chile, to strengthen cooperation and exchange expertise in District Cooling.
- EMPOWER welcomed a high-level delegation from Yokogawa Electric Corporation at EMPOWER's headquarters in Dubai. The meeting discussed ways to strengthen cooperation between the two entities and explored prospects for future partnership in advanced district cooling solutions and technologies.
- EMPOWER Insulated Pipe Systems (ELIPS) has signed a new contract to supply insulated pipes for the Ali Al-Sabah Military Academy project in Al Zahra, Kuwait. The contract covers pipe sizes ranging from 25 mm to 800 mm, with a total network length of 19 kilometres.

j. Statement of the deals made by the company with related parties during 2025 that equate 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 2025 provides the key related party transactions that were carried out 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 2023, 2024, 2025 (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	2023	2024	2025
Emirati	33%	32%	31%

l. A statement of the innovative projects and initiatives undertaken by the Company or under development during the year 2025:

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 2025, EMPOWER implemented the following innovative projects:

Development	Initiative
DLRC District Cooling Plant	DLRC DC plant COP (coefficient of performance) improvement by introducing Machine Learning algorithms for optimized equipment operation.
DPC District Cooling Plant	DPC DC plant COP (coefficient of performance) improvement by introducing Machine Learning algorithms for optimized equipment operation.
Solar Panel	Installed capacity expanded by having new panels at EMPOWER HQ
New RO plants	Commissioned 2 more TSE polishing RO plants during the year 2025, which is 17% increase in installed capacity. This will reduce DEWA portable water consumption and improve the plant's sustainability index.

Signatures:

Chairman, Board of Directors

Chairman, Audit and Risk Committee

ZoftoSigned 8DE8060A755493A 12-Mar-2026

Chairman, Nomination, Remuneration & ESG Committee

ZoftoSigned 8DE80659EE4361 12-Mar-2026

Director of the Internal Control Department

Government Of Dubai
EMPOWER
ENERGY SOLUTIONS
Emirates Central Cooling Systems Corporation PJSC
5

Directors' report
for the year ended 31 december 2025

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 2025.

Principal activities

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

Financial and operational performance

The Group has recorded a net profit attributable to the equity holders of the Company amounting to AED 993,302 thousand for the year ended 31 December 2025.

The Group achieved a turnover of AED 3,419,304 thousand during the year 2025, which represented a growth of 4.9% compared to the last year and achieved an operating profit of AED 1,272,512 thousand, which represented a growth of 6.7% compared to the previous year 2024.

Share capital

The paid-up capital of the Company is AED 1,000,000 thousand consisting of 10,000,000 thousand shares of AED 0.10 each. There has been no change in the capital structure of the Company during the year ended 31 December 2025.

Transfer to statutory reserve

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

Dividend

During the year 2025, a final dividend of AED 437,500 thousand (AED 0.04375 per share) in respect of the year ended 31 December 2024 was declared and approved in the Annual General Assembly Meeting held on 19 March 2025 which was paid on 16 April 2025 (2024: Final dividend of AED 425,000 thousand (AED 0.0425 per share)). Further an interim dividend of AED 437,500 thousand (AED 0.04375 per share) in respect of the six-month period ended 30 June 2025 was declared and approved in General Assembly Meeting held on 9 October 2025 which was subsequently paid on 30 October 2025 (2024: Interim dividend of AED 425,000 thousand (AED 0.0425 per share)).

Key agreements signed

During the year ended 31 December 2025, EMPOWER has signed 163 new customer agreements within its existing concession agreements with a total demand capacity of approximately 171,696 RT, with EMPOWER's total contracted capacity reaching 1.94 million RT. In addition to the above customer service agreements, EMPOWER has signed the following two major agreements:

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

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

Awards and achievements

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

EMPOWER has won the Gold Impact seal from the National CSR Fund (MAJRA), at its inaugural Impact Summit 2025 held in Abu Dhabi, UAE. The recognition reflects EMPOWER's enduring commitment to corporate social responsibility and its ongoing efforts to promote sustainable development in the UAE.

Reappointment of board of directors

The following Board of Directors were reappointed for a tenure of 3 years (2025-2028) in the General Assembly Meeting held on 9 October 2025.

1. H.E. Saeed Mohammed Ahmed Al Tayer
2. Mr. Hussain Essa Ibrahim Lootah
3. Mr. Nasser Mohammed Hussain Bin Lootah
4. Mr. Amit Kaushal
5. Mr. Issam Abdulrahim Abdulla Kazim
6. Ms. Fatma Ibrahim Abdulla Belrehif
7. Mr. Majed Sultan Murad Ali Al Joker

Auditors

The consolidated financial statements for the year ended 31 December 2025 were audited by PricewaterhouseCoopers Limited Partnership Dubai Branch, who were appointed as external auditors for the year ended 31 December 2025 in the Annual General Assembly meeting held on 19 March 2025. PricewaterhouseCoopers Limited Partnership Dubai Branch are eligible for reappointment as auditors for the year 2026 and have expressed their willingness to continue in office.

On behalf of the Board

H.E. Saeed Mohammed Ahmad Al Tayer
Chairman
9 February 2026

04.
Financial statements

Resilient growth is substantiated by record-breaking financial results and disciplined capital stewardship. These audited statements provide transparent evidence of our robust cash flow conversion and dividend durability, validating EMPOWER's position as a high-yield, low-volatility utility compounder for all stakeholders.

Financials

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 2025 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 2025;
- 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) as applicable to audits of financial statements of public interest entities 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

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.

To the shareholders of Emirates Central Cooling Systems Corporation P.J.S.C

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.

Key audit matter	How our audit addressed the Key audit matter
Accuracy of revenue from consumption charges The Group reported revenues from district cooling services of AED 3,402,090 thousand (Note 23) for the year ended 31 December 2025 of which AED 1,923,892 relates to consumption revenue, which is based on variable outputs consumed by the customers. 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 systems and pre-defined rates. There is an 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.	We carried out the following procedures: • We gained an understanding of the control environment related to revenue process 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; • 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 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.

Independent auditor's report

To the shareholders of emirates central cooling systems corporation P.J.S.C

Other information

Management is 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, as amended, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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, as amended, 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, as amended;

(iii) the Group has maintained proper books of account;

(iv) the financial information included in 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 not purchased or invested in any shares during the year ended 31 December 2025;

(vi) note 12 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted;

(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 2025 any of the applicable provisions of the UAE Federal Decree-Law No. (32) of 2021, as amended, or in respect of the Company, its Articles of Association which would materially affect its activities or its financial position as at 31 December 2025; and

(viii) note 26 to the consolidated financial statements discloses the social contributions made during the year ended 31 December 2025.

PricewaterhouseCoopers Limited Partnership Dubai Branch
9 February 2026

Liana Kalakesh
Registered Auditor Number 5599
Dubai, United Arab Emirates

Consolidated statement of financial position

Year ended 31 december

(in AED'000)

	Notes	2025	2024
ASSETS			
Non-current assets			
Property, plant and equipment	5	7,194,990	6,995,160
Right-of-use assets	6	1,878	5,513
Intangible assets	7	315,668	327,825
Financial assets at amortised cost	8	1,284,009	1,304,838
Financial assets at fair value through other comprehensive income	9	55,778	55,709
Investment properties	37	170,793	118,015
Deferred tax assets	28	15,077	16,228
Investment in a joint venture		-	307
		9,038,193	8,823,595
Current assets			
Inventories	10	55,718	53,789
Trade and other receivables	11	303,818	275,280
Due from related parties	12	39,353	18,076
Financial assets at amortised cost	8	20,830	19,949
Financial assets at fair value through profit or loss	13	45,461	25,466
Term deposits	14	57,704	30,264
Cash and cash equivalents	15	2,255,745	1,936,627
		2,778,629	2,359,451
Total assets		**11,816,822**	**11,183,046**
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		13,809	18,768
Contributed capital	18	82,190	82,190
Retained earnings		1,714,934	1,596,632
		3,310,933	3,197,590
Non-controlling interests		186,378	175,745
Total equity		**3,497,311**	**3,373,335**

(in AED'000)

	Notes	2025	2024
LIABILITIES			
Non–current liabilities			
Bank borrowings	19	5,500,000	5,496,219
Government grants	20	299,998	302,778
Provision for employees' end of service benefits	21	70,893	57,646
Retentions payable	22	15,835	16,189
Lease liabilities	6	-	159
		5,886,726	5,872,991
Current liabilities			
Trade and other payables	22	2,165,056	1,677,637
Due to related parties	12	161,670	159,372
Current tax liabilities	28	97,585	88,953
Bank borrowings	19	3,418	2,196
Government grants	20	3,170	3,170
Lease liabilities	6	1,886	5,392
		2,432,785	1,936,720
Total liabilities		**8,319,511**	**7,809,711**
Total equity and liabilities		**11,816,822**	**11,183,046**

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 2025. These consolidated financial statements were approved by the Board of Directors on 9 February 2026 and were signed on their behalf by:

Chief Executive Officer

Chairman

The accompanying notes form an integral part of these consolidated financial statements.

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

Year ended 31 december

(in AED'000)

	Notes	2025	2024
Revenue	23	3,419,304	3,260,489
Interest income on financial asset at amortised cost	8	58,307	59,151
Cost of sales	25	(1,989,283)	(1,917,497)
Gross profit		1,488,328	1,402,143
General and administrative expenses	26	(256,383)	(235,119)
Reversal for expected credit losses	11	16,137	17,482
Other income	29	24,430	7,938
Operating profit		1,272,512	1,192,444
Finance income	30	55,347	54,027
Finance costs	30	(224,698)	(248,139)
Finance costs- net		(169,351)	(194,112)
Profit before tax		1,103,161	998,332
Income tax	28	(99,226)	(90,097)
Profit after tax		**1,003,935**	**908,235**
Profit attributable to:			
Equity holders of the Company		993,302	896,754
Non-controlling interests	32	10,633	11,481
		1,003,935	**908,235**
Basic and diluted earnings per share for profit attributable to the equity holders of the Company (AED)	35	0.099	0.090
Profit for the year		**1,003,935**	**908,235**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Changes in fair value of financial assets at fair value through other comprehensive income		68	913
Deferred tax expense		(6)	(82)
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations		(5,021)	3,427
Other comprehensive income for the year, net of tax		(4,959)	4,258
Total comprehensive income for the year		**998,976**	**912,493**
Total comprehensive income for the year attributable to:			
Equity holders of the Company		988,343	901,012
Non-controlling interests		10,633	11,481
		998,976	**912,493**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

Year ended 31 december

(in AED'000)

	Notes	Attributable to equity holders of the Company					Non-controlling interests	Total equity
		Share capital	Statutory reserve	Other reserves	Retained earnings	Contributed capital		
At 1 January 2024		1,000,000	500,000	14,510	1,547,518	82,190	166,783	3,311,001
Total comprehensive income for the year								
Profit for the year		-	-	-	896,754	-	11,481	908,235
Other comprehensive income								
Other comprehensive income for the year		-	-	4,258	-	-	-	4,258
Total comprehensive income for the year		-	-	4,258	896,754	-	11,481	912,493
Transaction with owners in their capacity as owners:								
Acquisition of non-controlling interest	1	-	-	-	2,360	-	(2,519)	(159)
Dividends declared	39	-	-	-	(850,000)	-	-	(850,000)
At 31 December 2024		**1,000,000**	**500,000**	**18,768**	**1,596,632**	**82,190**	**175,745**	**3,373,335**
At 1 January 2025		1,000,000	500,000	18,768	1,596,632	82,190	175,745	3,373,335
Total comprehensive income for the year								
Profit for the year		-	-	-	993,302	-	10,633	1,003,935
Other comprehensive income								
Other comprehensive income for the year		-	-	(4,959)	-	-	-	(4,959)
Total comprehensive income for the year		-	-	(4,959)	993,302	-	10,633	998,976
Transaction with owners in their capacity as owners:								
Dividends declared	39	-	-	-	(875,000)	-	-	(875,000)
At 31 December 2025		**1,000,000**	**500,000**	**13,809**	**1,714,934**	**82,190**	**186,378**	**3,497,311**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of cash flows

Year ended 31 december

(in AED'000)

	Notes	2025	2024
Cash flows from operating activities			
Profit before tax		1,103,161	998,332
Adjustments for:			
Depreciation of property, plant and equipment	5	352,199	342,332
Depreciation of right-of-use assets	6	5,361	4,592
Depreciation on Investment properties	37	6,317	-
Amortisation of intangible assets	7	12,157	12,157
Remeasurement of financial assets	40	22,463	22,463
Share of loss from joint venture		191	-
Amortisation of arrangement fee	30	3,781	3,781
Impairment charge of project cost	5	-	919
Reversal of impairment of trade receivables	11	(16,137)	(17,482)
Gain on modification of right-of-use assets	6	-	(89)
Loss on disposal of property, plant and equipment		-	33
Provision for employees' end of service benefits	21	9,164	8,786
Interest on lease liabilities	30	164	230
Interest income earned on financial assets at amortised cost	8	(58,307)	(59,151)
Finance income	30	(55,347)	(54,027)
Interest expense on bank borrowings	30	220,753	244,128
Government grant income	20	(2,780)	(2,780)
Operating cash flows before changes in working capital and payment of employees' end of service benefits		1,603,140	1,504,224
Changes in working capital:			
Inventories		(1,929)	(10,059)
Financial assets	40	55,792	55,792
Trade and other receivables		(21,880)	46,828
Due from related parties		(21,277)	(9,255)
Trade and other payables		336,170	215,832
Due to related parties		2,414	23,419
Cash generated from operations		1,952,430	1,826,781
Payment of employees' end of service benefits	21	(1,435)	(2,379)
Income tax paid		(88,953)	-
Net cash generated from operating activities		**1,862,042**	**1,824,402**
Cash flows from investing activities			
Acquisition of interest in subsidiary	1	-	(159)
Capital expenditure, net of project cost accruals		(440,039)	(306,781)
Short-term deposits (more than 3 months) invested – net of accruals		(26,900)	(2,600)
Investment in financial assets at fair value through profit and loss		(19,829)	(15,454)
Finance income received		54,641	52,873
Net cash used in investing activities		**(432,127)**	**(272,121)**

(in AED'000)

	Notes	2025	2024
Cash flows from financing activities			
Proceeds from bank borrowings net of arrangement fee		6,749,358	4,749,358
Repayment of bank borrowings	19	(6,750,000)	(3,750,000)
Dividends paid	39	(875,000)	(850,000)
Principal element of lease payments	6	(5,391)	(4,552)
Interest element of lease payments	6	(164)	(230)
Finance costs paid		(229,600)	(299,010)
Net cash used in financing activities		**(1,110,797)**	**(154,434)**
Net increase in cash and cash equivalents		319,118	1,397,847
Cash and cash equivalents at the beginning of the year		1,936,627	538,780
Cash and cash equivalents at the end of the year	15	**2,255,745**	**1,936,627**

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)

	Notes	2025	2024
Cash and cash equivalents	15	2,255,745	1,936,627
Borrowings-repayable within one year	19	(3,418)	(2,196)
Borrowings-repayable after one year	19	(5,500,000)	(5,496,219)
		(3,247,673)	(3,561,788)
Lease liabilities	6	(1,886)	(5,551)
Net debt		**(3,249,559)**	**(3,567,339)**
Cash and cash equivalents	15	2,255,745	1,936,627
Lease liabilities	6	(1,886)	(5,551)
		2,253,859	1,931,076
Gross debt-fixed interest rates		-	-
Gross debt-variable interest rates	19	(5,503,418)	(5,498,415)
		(3,249,559)	**(3,567,339)**

The accompanying notes form an integral part of these consolidated financial statements.
For reclassification, refer to note 40.

The accompanying notes form an integral part of these consolidated financial statements.
For reclassification, refer to note 40.

Notes to the consolidated financial statements

for the year ended 31 december 2025

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 PJSC (“DEWA”), which is ultimately controlled 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% and 24% respectively. "The UAE Federal Decree-Law No. (32) of 2021, as amended ("Companies Law") is applicable to the Company."

The Company’s registered 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”).

The Company has the following subsidiaries:

Subsidiary	Principal activities	Beneficial and legal shareholding	
		2025	2024
Empower Insulated Pipe Systems LLC (formerly Empower Logstor LLC)*	Manufacturing of pre-insulated pipes, primarily for district cooling.	100%	100%
Palm District Cooling LLC **	Establishing and operating district cooling projects and providing air-conditioning, ventilation and refrigeration services.	100%	100%
Palm Utilities LLC **	Establishing and operating district cooling projects and providing air-conditioning, ventilator and refrigeration services.	100%	100%
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%	85%

* During 2024, EMPOWER acquired 3% minority shareholding in Empower Logstor LLC from Logstor Holding for AED 159 thousand. In July 2024, the legal name was changed to Empower Insulated Pipe Systems L.L.C.

** During 2024, EMPOWER acquired additional shareholding in Palm Utilities LLC, from Utilities Management Company LLC. As a result of this transaction, the ownership of EMPOWER in Palm Utilities LLC and Palm District Cooling LLC increased to 100%.

Empower Insulated Pipe Systems LLC (formerly Empower Logstor LLC), a company providing insulated pipes, 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 Empower Insulated Pipe Systems LLC and diluted Logstor Holding, Denmark’s interest to 3%. During the year 2024, the Group purchased minority share of 3% from Logstor Holding for AED 159 thousand. The Group has not purchased or invested in any shares during the year ended 31 December 2025.

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 disclosed 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 remaining shareholding represents DACC’s share which was recorded as a non-controlling interest of AED 157,500 thousand (Note 32).

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 consolidated financial statements for the year ended 31 December 2025 were authorised for issue on 9 February 2026.

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.

(a) New and amended standards adopted by the Group during the year

The following revised IFRS, which became effective for annual periods beginning 1 January 2025, have been adopted in these consolidated financial statements.

- Amendments to IAS 21 - Lack of Exchangeability

The amendment listed above did not have any material impact on the amounts recognised in prior periods and is not expected to significantly affect the current or future periods.

(b) New standards, amendments and interpretations not yet adopted by the Group

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Group. Management is currently assessing the impact of these standards, and amendments on the future consolidated financial statements of the Group.

- Annual Improvements to IFRS Accounting Standards - Volume 11 (effective for annual periods beginning on or after 1 January 2026, with earlier application permitted). The amended Standards includes IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements; and IAS 7 Statement of Cash Flows.
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026). On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities.
- Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity (effective for annual periods beginning on or after 1 January 2026). These amendments include clarifying the application of the ‘own-use’ requirements; permitting hedge accounting if these contracts are used as hedging instruments; and adding new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.
- Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 - Disclosures about Uncertainties in the Financial Statements (effective for annual periods beginning on or after 1 January 2027). The IASB has issued

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a document that sets out amendments to the guidance accompanying several IFRS Accounting Standards, including IFRS 18 Presentation and Disclosure in Financial Statements and IAS 1 Presentation of Financial Statements. These amendments add to that guidance examples that illustrate how an entity applies the requirements in the Standards to report the effects of uncertainties in its financial statements.

- IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027). IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements. Management is currently assessing the detailed implications of applying the new standard on the group's consolidated financial statements.
- Amendments to IAS 21 - Translation to a Hyperinflationary Presentation Currency (effective for annual periods beginning on or after 1 January 2027). Companies can choose to apply them earlier. The IASB has issued amendments that clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one. These narrow-scope amendments aim to improve the usefulness of the resulting information in a cost-effective manner. Developed in response to stakeholder feedback, these amendments are expected to reduce diversity in practice and provide a clearer basis for reporting in a hyperinflationary currency.
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027). Issued in May 2024, IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements.
- Amendments to IFRS 19 Subsidiaries without Public Accountability (effective for annual periods beginning on or after 1 January 2027). The newly issued amendments to IFRS 19 help eligible subsidiaries by reducing disclosure requirements for Standards and amendments issued between February 2021 and May 2024.

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group.

The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income.

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.

2.3 Property, plant, and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial year in which they are incurred.

Land is not depreciated. Depreciation on other assets is computed, using the straight-line method, at rates calculated to reduce the cost of assets to their estimated residual values over their expected useful lives as follows:

	Years
Plant, equipment and machinery	2 to 30
Buildings	25
Furniture and fixtures	3 to 5
Leasehold improvements	3 to 4
Computer equipment	3
Vehicles	3 to 5

The asset's residual values and useful lives are reviewed and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are 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.

2.4 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded 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.

2.5 Financial assets

(a) 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.

(i) 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.

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The financial assets of the Group are as follows:

(in AED'000)

	Carrying amount	
	2025	**2024**
Cash and cash equivalents (Note 15)	2,255,745	1,936,627
Financial assets at amortised cost (Note 8)	1,304,839	1,324,787
Trade and other receivables excluding prepayments and advances (Note 11)	219,115	182,572
Term deposits (Note 14)	57,704	30,264
Financial assets at fair value through other comprehensive income (Note 9)	55,778	55,709
Due from related parties (Note 12)	39,353	18,076
Financial assets at fair value through profit and loss (Note 13)	45,461	25,466

(b) 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:

- 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.
- 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.

(c) Subsequent measurement

(i) 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. Interest 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, interest 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). Interest 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. Interest income, if any, from these financial assets is recognised in profit and loss.

(ii) 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.

(iii) 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 interest 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.

(iv) 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.

The Group's ECL model continues to be sensitive to macroeconomic variables and the Group continues to reassess its position.

(v) 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.

(vi) 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.

(vii) 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.

(d) 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.

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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.

(viii) 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.

(a) 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 consolidated statement of financial position.

(b) Post employment obligations

The Group provides post-employment defined benefit plan which is currently unfunded. The liability recognised in the consolidated 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 consolidated statement of changes in equity and in the consolidated 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.

(a) 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

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- 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.

(b) 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.

(c) 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:

(1) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or

(2) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(3) The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue comprises the fair value of consideration received or receivable for the sales of goods and services in the ordinary course of the Group's activities and is shown net of discounts and allowances.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below:

(a) District cooling services

Demand and consumption charges revenue comprises of available capacity and variable output provided to customers and is 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 of 25 years.

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

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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, cash flow and fair value 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 and 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.

Sensitivity

The following table summarises the impact of increases/ decreases of the Nasdaq index on the group's post-tax profit for the year. 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)

	2025	2024
Nasdaq index-increase 1%	549	548
Nasdaq index -decrease 1%	(549)	(548)

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.

(iii) Cash flow and fair value interest rate risk

The Group is exposed to interest rate risk on its interest bearing assets and liabilities (borrowings and lease liabilities). The Group's main interest rate risk arises from borrowings with variable rates as all borrowings of the Group are variable which expose the Group to cash flow interest rate risk. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its consolidated statement of financial position and cash flows. Interest 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 2025, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, profit for the year would have been AED 48,653 thousand (2024: AED 38,677 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)

	2025	2024
Interest rate – re-pricing dates:		
3 months or less	5,503,418	5,498,415

Further, at 31 December 2025, 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 2025 would have been lower by AED 30 thousand (2024: AED 36 thousand) mainly as a result of higher interest expense and would have been higher by AED 30 thousand (2024: AED 36 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.

(i) 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.

(ii) Financial assets at amortised cost

During 2021, the Group recognised a financial asset through the acquisition of Empower Snow LLC from Nakheel PJSC, a related party. The financial asset derives from the minimum demand load commitment by Nakheel PJSC 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).

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:

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Amount 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 2024	-	-	-	1,343,891	-	-
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	-	-	-	1,343,891	-	-
Remeasurement and settlement during the year	-	-	-	(78,255)	-	-
Unwinding of interest income during the year	-	-	-	59,151	-	-
As 31 December 2024	**-**	**-**	**-**	**1,324,787**	**-**	**-**
Financial asset at amortised cost						
At 1 January 2025	-	-	-	1,324,787	-	-
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	-	-	-	1,324,787	-	-
Remeasurement and settlement during the year	-	-	-	(78,255)	-	-
Unwinding of interest income during the year	-	-	-	58,307	-	-
As 31 December 2025	**-**	**-**	**-**	**1,304,839**	**-**	**-**

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 PJSC 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 2025 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	2025	2024
A+	Fitch	138,725	135,847
Ba1	Moody's	293,541	1,022,848
Ba2	Moody's	6	6
Baa1	Moody's	2,329	20,317
Baa2	Moody's	1,539,236	188,657
Baa3	Moody's	281,048	566,261
BBB+	Fitch	860	2,687
Caa2	Moody's	-	4
		2,255,745	**1,936,627**

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 significant 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 overleaf 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.

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(in AED'000)

	Carrying amount	Total contractual cash flows	Less than 1 year	Between 1 to 5 years
At 31 December 2025				
Bank borrowings (including interest) (Note 19)	5,503,418	5,911,182	207,887	5,703,295
Trade and other payables (excluding deferred revenues and including non-current retention payable) (Note 22)	1,439,020	1,439,020	1,423,185	15,835
Current tax liabilities (Note 28)	97,585	97,585	97,585	-
Lease liabilities (including interest) (Note 6)	1,886	1,928	1,928	-
Due to related parties (Note 12)	161,670	161,670	161,670	-
	7,203,579	**7,611,385**	**1,892,255**	**5,719,130**
At 31 December 2024				
Bank borrowings (including interest) (Note 19)	5,498,415	6,248,610	273,516	5,975,094
Trade and other payables (excluding deferred revenues and including non-current retention payable) (Note 22)	1,173,732	1,173,732	1,157,543	16,189
Current tax liabilities (Note 28)	88,953	88,953	88,953	-
Lease liabilities (including interest) (Note 6)	5,551	5,717	5,556	161
Due to related parties (Note 12)	159,372	159,372	159,372	-
	6,926,023	**7,676,384**	**1,684,940**	**5,991,444**

During 2022, the Group obtained a bank loan of AED 5,500,000 thousand which was refinanced and is disclosed in Note 19. There has been no other change in the contractual undiscounted cash outflows for financial liabilities during 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 2025 and 31 December 2024 were as follows:

(in AED'000)

	2025	2024
Total borrowings (Note 19)	5,503,418	5,498,415
Less: cash and cash equivalents (Note 15)	(2,255,745)	(1,936,627)
Net debt	3,247,673	3,561,788
Total equity	3,497,311	3,373,335
Total capital	**6,744,984**	**6,935,123**
Gearing ratio	48.2%	51.4%

The Group manages the risk by closely monitoring the gearing ratio.

3.3 Fair value estimation

As at 31 December 2025 and 2024, 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 consolidated 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 charge related to non-financial asset has been recognised during the year ended 31 December 2025 (2024: AED 919 thousand), 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.

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for the year ended 31 december 2025

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 2024	432,364	9,162,263	70,709	20,692	12,455	44,940	11,992	249,832	10,005,247
Additions	-	-	-	1,411	170	1,769	557	432,092	435,999
Transfers	-	309,301	-	-	-	1,213	-	(310,514)	-
Transfer to Investment properties (Note 37)	-	-	-	-	-	-	-	(32,370)	(32,370)
Retirements	-	(11,911)	-	(25)	-	-	(446)	-	(12,382)
At 31 December 2024	**432,364**	**9,459,653**	**70,709**	**22,078**	**12,625**	**47,922**	**12,103**	**339,040**	**10,396,494**
Additions	-	4,090	-	2,361	-	1,801	2,863	574,322	585,437
Transfers	-	381,838	1,060	-	-	1,198	-	(384,096)	-
Transfer to Investment properties (Note 37)	-	-	-	-	-	-	-	(33,408)	(33,408)
Retirements	-	(19,194)	-	(2)	-	-	-	-	(19,196)
At 31 December 2025	**432,364**	**9,826,387**	**71,769**	**24,437**	**12,625**	**50,921**	**14,966**	**495,858**	**10,929,327**

During 2022, the Group returned 11 plots of land to a related party, which were granted in previous years for the purpose of constructing the district cooling plants. Accordingly, the carrying amount of AED 59,382 thousand was reversed from property, plant and equipment and the corresponding deferred government grant. Management signed a Master Land Agreement and Exclusivity and Framework Agreement with the related party granting the Group unlimited access over 8 plots. The Master Land Agreement refers to separate lease agreements which were executed for 6 plots during the year ended 31 December 2025 on reasonable terms and for a nominal value. The remaining lease agreements for 2 plots are yet to be executed on similar terms.

EMPOWER will continue to have uninterrupted and unencumbered use of the plots until the relevant lease agreements are entered into. District cooling assets with a net book value of AED 67,162 thousand are developed on some of these plots of land.

Capital work-in-progress balances include costs of constructing district cooling plants and networks pertaining to various projects. During the year 2024, the transfer to plant, equipment and machinery from capital work in progress represents additions mainly to district cooling projects.

(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 2024	-	2,943,456	34,545	18,222	11,779	38,541	6,795	17,094	3,070,432
Charge for the year	-	333,610	2,785	1,995	258	2,207	1,477	-	342,332
Retirements	-	(11,911)	-	(25)	-	-	(413)	-	(12,349)
Impairment charge for the year	-	-	-	-	-	-	-	919	919
At 31 December 2024	-	3,265,155	37,330	20,192	12,037	40,748	7,859	18,013	3,401,334
Charge for the year	-	341,696	2,855	1,788	148	3,937	1,775	-	352,199
Retirements	-	(19,194)	-	(2)	-	-	-	-	(19,196)
At 31 December 2025	**-**	**3,587,657**	**40,185**	**21,978**	**12,185**	**44,685**	**9,634**	**18,013**	**3,734,337**
Net book amount									
31 December 2025	**432,364**	**6,238,730**	**31,584**	**2,459**	**440**	**6,236**	**5,332**	**477,845**	**7,194,990**
31 December 2024	**432,364**	**6,194,498**	**33,379**	**1,886**	**588**	**7,174**	**4,244**	**321,027**	**6,995,160**

Depreciation expense of AED 341,696 thousand (2024: AED 333,610 thousand) has been charged to 'cost of sales' (Note 25) and AED 10,503 thousand (2024: AED 8,722 thousand) to 'general and administrative expenses' (Note 26).

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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), a head office and labour accommodation lease for a term of 1 year only.

(in AED'000)

	Equipment	Buildings	Total
Cost			
At 1 January 2024	1,179	14,235	15,414
Additions	2,650	4,036	6,686
Modification of right-of-use assets*	(1,177)	-	(1,177)
At 31 December 2024	2,652	18,271	20,923
Additions	-	1,726	1,726
At 31 December 2025	**2,652**	**19,997**	**22,649**
Accumulated depreciation			
At 1 January 2024	602	10,818	11,420
Charge for the year	1,174	3,418	4,592
Modification of right-of-use assets*	(602)	-	(602)
At 31 December 2024	1,174	14,236	15,410
Charge for the year	1,325	4,036	5,361
At 31 December 2025	**2,499**	**18,272**	**20,771**
Net book amount			
31 December 2025	**153**	**1,725**	**1,878**
31 December 2024	1,478	4,035	5,513

The Group recognised lease liabilities as follows:

(in AED'000)

	2025	2024
At 1 January	5,551	4,081
Additions during the year	1,726	6,686
Interest on lease liabilities	164	230
Remeasurement of lease liabilities*	-	(664)
Paid during the year	(5,555)	(4,782)
At 31 December	1,886	5,551
Less: current portion	(1,886)	(5,392)
Non-current portion	**-**	**159**

** During the year 2024, 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 89 thousand was recognised in the consolidated statement of comprehensive income.*

Interest expense included in finance costs amounted to AED 164 thousand (2024: AED 230 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 5,555 thousand (2024: AED 4,782 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)

	2025	2024
Expense relating to short-term leases (Note 26)	556	504

7 Intangible assets

(in AED'000)

	2025	2024
At 1 January	327,825	339,982
Amortised during the year (Note 25)	(12,157)	(12,157)
At 31 December	**315,668**	**327,825**

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)

	2025	2024
At 1 January	1,324,787	1,343,891
Interest earned during the year	58,307	59,151
Remeasurement and settlement during the year	(78,255)	(78,255)
At 31 December	1,304,839	1,324,787
Less: current portion	(20,830)	(19,949)
Non-current portion	**1,284,009**	**1,304,838**

Financial assets at amortised cost represents receivable from Nakheel PJSC (Note 12) in relation to acquisition of Empower Snow LLC (formerly Snow LLC) during 2021 and receivable from DACC (grantor) under IFRIC 12 (Note 12) as a result of the acquisition of DXB Cool.

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:

(a) **AED 291,933 thousand (2024:** AED 296,600 thousand) from Nakheel PJSC, an entity under common control, in relation to acquisition of Empower Snow LLC (formerly Snow LLC) during 2021 and;

(b) **AED 1,012,906 thousand (2024:** AED 1,028,187 thousand) from DACC, an entity under common control, in relation to acquisition of DXB Cool during 2023.

The financial assets are categorised within level 3 of the fair value hierarchy which approximates its carrying value.

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

(in AED'000)

	2025	2024
At 1 January	55,709	54,153
Interest income	644	643
Interest received	(643)	-
Gain recognised during the year	68	913
At 31 December	**55,778**	**55,709**

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

(in AED'000)

	2025	2024
Gain recognised in other comprehensive income	68	913
Interest income from equity investments held at FVTOCI recognised in profit or loss (Note 30)	3,305	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)

	2025	2024
Spares and consumables for district cooling services	37,988	37,412
Pre-insulated pipes	18,119	16,766
Provision for impairment of slow moving and obsolete inventories	(389)	(389)
	55,718	**53,789**

The cost of inventories recognised as expense and included in 'cost of sales' is AED 10,138 thousand (2024: AED 13,695 thousand) (Note 25).

11 Trade and other receivables

(in AED'000)

	2025	2024
Trade receivables	199,213	185,829
Accrued revenues	44,424	38,313
	243,637	224,142
Less: Provision for expected credit losses	(41,078)	(57,215)
	202,559	166,927
Other financial assets at amortised cost		
Other receivables	16,556	15,645
Other assets		
Advance to contractors / suppliers	65,633	75,112
Prepayments	19,070	17,596
	84,703	92,708
	303,818	**275,280**

Other receivables includes a deposit of AED 4,490 thousand (2024: AED 4,490 thousand) receivable from DEWA (Note 12).

As at 31 December 2025, the Group faced a concentration of credit risk with three customers (2024: three customers) which accounted for 15.5% (2024: 21.4%) of the trade receivables at that date. Management has recorded a provision of AED 22,398 thousand (2024: AED 24,278 thousand) against these customers.

Management is of the opinion that this concentration of credit risk from customers will not result in any further loss.

As at 31 December 2025, the movement in the allowance for impairment of receivables is as follows:

(in AED'000)

	2025	2024
At 1 January	57,215	74,697
Reversal for the year	(16,137)	(17,482)
Balance at the end of the year	**41,078**	**57,215**

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.

Notes to the consolidated financial statements

for the year ended 31 december 2025

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
2025								
Trade receivables and accrued revenue (AED '000)	243,637	44,425	109,786	30,440	8,045	3,117	12,746	35,078
Provision %	16.9%	0%	0.9%	9.3%	34.2%	53.3%	64.1%	70.5%
Provision (AED'000)	41,078	-	952	2,821	2,755	1,660	8,165	24,725
Net trade receivables and accrued revenue (AED'000)	**202,559**	**44,425**	**108,834**	**27,619**	**5,290**	**1,457**	**4,581**	**10,353**
2024								
Trade receivables and accrued revenue (AED '000)	224,142	38,313	69,830	30,923	11,615	8,110	13,498	51,853
Provision %	25.5%	0%	2.1%	10.6%	32.2%	47.4%	61%	70.6%
Provision (AED'000)	57,215	-	1,498	3,276	3,742	3,842	8,232	36,625
Net trade receivables and accrued revenue (AED'000)	**166,927**	**38,313**	**68,332**	**27,647**	**7,873**	**4,268**	**5,266**	**15,228**

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 549,132 thousand (2024: AED 492,212 thousand) (Note 22) as collateral against receivables. Other classes of trade and other receivables do not contain impaired assets.

Notes to the consolidated financial statements

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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)

	2025	2024
Transactions with related parties		
Services rendered to entities under common control of shareholders		
Dubai Properties Group LLC	160,395	160,533
Nakheel PJSC	168,797	157,189
Tecom Investments FZ LLC	66,942	66,786
Jumeirah Group LLC	58,976	62,718
Meraas Holding LLC	39,307	61,618
Meydan Group (LLC)	18,337	21,560
Global Village Dubai LLC	623	654
	513,377	531,058
Dividend to shareholders		
Emirates Power Investment LLC	210,000	204,000
Dubai Electricity and Water Authority PJSC	490,000	476,000
	700,000	680,000
Services received from shareholder		
Dubai Electricity and Water Authority PJSC	1,467,650	1,442,388
Services rendered to entities under common control of Ultimate parent		
Dubai Airports Corporation (DAC)	256,678	258,039
Services received from entities under common control of Ultimate parent		
Finance cost from Emirates NBD PJSC	215,289	277,056
Key management remuneration		
Board of directors' remuneration (Note 26)	5,940	5,880
Compensation of key management personnel		
Short term benefits	9,639	9,659
End of service benefits	520	520
	10,159	10,179

Balances with related parties

(in AED'000)

	2025	2024
Due from related parties		
Entities under common control of shareholders		
Nakheel PJSC	16,308	-
Jumeirah Group LLC	3,720	2,566
Tecom Investments FZ LLC	2,291	140
Meraas Holding LLC	69	371
Others	30	31
	22,418	3,108
Others		
Dubai Airports Corporation (DAC)	16,171	14,708
Dubai Aviation City Corporation (DACC)	764	260
	39,353	18,076
Due to related parties		
Shareholder		
Dubai Electricity and Water Authority PJSC	103,483	124,321
Entities under common control of shareholder		
Meydan City Corporation	28,551	-
Dubai Properties Group LLC	21,333	17,270
Dubai Airports Corporation (DAC)	8,046	6,869
Nakheel PJSC	-	10,412
	57,930	34,551
Others	257	500
	161,670	159,372
Amounts included in bank borrowings, financial assets at amortised cost, cash and cash equivalents and trade and other receivables		
Shareholder		
Dubai Electricity and Water Authority PJSC	4,490	4,490
Entities under common control of shareholder		
Emirates NBD PJSC	5,921,192	5,556,869
Dubai Aviation City Corporation (DACC)	1,012,906	1,028,187
Nakheel PJSC	291,933	296,600
Dubai Islamic Bank	291,838	1,022,820
Emirates Islamic Bank	138,725	135,847

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13 Financial assets at fair value through profit or loss (FVTPL)

(in AED'000)

	2025	2024
Investment in National Bonds	45,283	25,454
Interest accrued	178	12
At 31 December	**45,461**	**25,466**

During the period ended 31 December 2025, the Group invested an additional amount of AED 19,829 thousand into the National Bonds Corporation Sole Proprietorship P.S.C. on similar terms as existing investments.

14 Term deposits

(in AED'000)

	2025	2024
Short-term bank deposits – more than 3 months	57,704	30,264

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 3.9% to 4.6% per annum (2024: 4.6% to 5.8% per annum).

Term deposits are presented as cash equivalents only if they have a maturity of three months or less 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)

	2025	2024
Cash at bank	204,886	394,761
Short-term bank deposits – less than 3 months	2,050,859	1,541,866
	2,255,745	**1,936,627**

Bank balances are held with branches of local and international banks. Short-term bank deposits bear an effective interest which ranges between 3.9% to 4.8%. (2024: 3.5% to 5.5% per annum).

16 Share capital

(in AED'000)

	2025	2024
Authorised, issued and fully paid up share capital		
Ordinary shares of 10,000,000 thousand of AED 0.10 each	1,000,000	1,000,000

The authorised and paid up capital of the Company as at 31 December 2025 amounted to AED AED 1,000,000 thousand (2024: AED 1,000,000 thousand), of which AED AED 560,000 thousand (2024: AED 560,000 thousand) was contributed by DEWA, AED AED 240,000 thousand (2024: AED 240,000 thousand) was contributed by Emirates Power Investment LLC and AED 200,000 thousand (2024: AED 200,000 thousand) by public shareholders.

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, 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 form 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 (2024: AED 82,190 thousand).

19 Bank borrowings

(in AED'000)

	2025	2024
Term loan	-	2,750,000
Interest accrued	-	388
Unamortised arrangement fee	-	(3,781)
Term loan	-	2,746,607
Revolving credit facilities	5,500,000	2,750,000
Interest accrued	3,418	1,808
Revolving credit facilities	5,503,418	2,751,808
Total Borrowings	5,503,418	5,498,415
Less: current portion	3,418	2,196
Non-current portion	**5,500,000**	**5,496,219**

Interest accrued as of 31 December 2025 amounts to AED 3,418 thousand (2024: AED 2,196 thousand), classified as short-term portion of bank borrowings which is payable within one year.

The movement in bank borrowings during the year:

(in AED'000)

	2025	2024
As at 1 January	5,498,415	4,492,438
Drawdown during the year	6,749,358	4,749,358
Interest expense during the year (Note 30)	220,753	246,359
Interest capitalised during the year (Note 30)	10,711	55,489
Interest paid during the year	(229,600)	(299,010)
Principal repayment during the year	(6,750,000)	(3,750,000)
Arrangement fee charged to profit and loss	3,781	3,781
As at 31 December	**5,503,418**	**5,498,415**

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

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

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

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

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

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

The difference between the carrying amount of a financial liability extinguished and the consideration paid is recognised in profit or loss, together with the related costs/fees incurred amounting to AED 5,065 thousand which includes the arrangement fee in relation to previous borrowings amounting to AED 3,781 thousand.

As of 31 December 2025, the Group has the following outstanding borrowing facilities;

(in AED'000)

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

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

The maturity profile of the borrowings is as follows:

(in AED'000)

	2025	2024
Within one year	3,418	2,196
After one year but not more than three years	5,500,000	5,496,219
	5,503,418	**5,498,415**

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

The Group had no undrawn facilities, outstanding balance in bank guarantees and letters of credits as at 31 December 2025 and 2024.

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)

	2025	2024
At 1 January	305,948	308,728
Released during the year (Note 29)	(2,780)	(2,780)
At 31 December	303,168	305,948
Less: current portion	(3,170)	(3,170)
Non-current portion	**299,998**	**302,778**

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 2025 and 2024, 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)

	2025	2024
Current service cost	6,408	6,350
Interest cost	2,756	2,436
Net expense recognised in the consolidated statement of profit or loss	9,164	8,786
Actuarial loss / (gain) recognised in the consolidated statement of comprehensive income, net of tax	**5,021**	**(3,427)**

Changes in the present value of defined benefit obligations is as follows:

(in AED'000)

	2025	2024
At 1 January	57,646	54,666
Current service cost	6,408	6,350
Interest cost	2,756	2,436
Benefits paid during the year	(1,435)	(2,379)
Actuarial loss / (gain) recognised in the consolidated statement of comprehensive income	5,518	(3,427)
At 31 December	**70,893**	**57,646**

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The expected maturity analysis of undiscounted benefits plans is as follows:

	0 to 5 years	>5 years	Total
As at 31 December 2025			
Defined benefits obligation	50,193	39,422	89,615
As at 31 December 2024			
Defined benefits obligation	42,054	32,789	74,843

The end of service benefits relate entirely to the United Arab Emirates under the UAE Labour Law.

The principal assumptions used in determining the provision for end of service benefit obligations are shown below:

(in AED'000)

	2025	2024
Discount rate per year	4.4%	4.9%
Salary increase per year	3%	3%

Management believes that no reasonably possible change in any of the above key assumptions would have material impact on the amounts disclosed in the consolidated financial statements.

Contribution plan

The amount of pension contribution made by the Group for UAE Nationals during the year is AED 5,123 thousand (2024: AED 5,338 thousand).

22 Trade and other payables

(in AED'000)

	2025	2024
Deferred revenue	741,871	520,094
Refundable customers' security deposits (Note 11)	549,132	492,212
Project cost accruals	361,648	277,730
Project payables	143,675	93,539
Retentions payable	108,514	91,673
Other liabilities*	276,051	218,578
Total	**2,180,891**	**1,693,826**
Less: Non-current portion retentions payable	(15,835)	(16,189)
Current portion	**2,165,056**	**1,677,637**

** Other liabilities include accrued expenses for water and electricity amounting to AED 50,207 thousand (2024: AED 37,967 thousand) payable to DEWA.*

Movement in deferred revenue is as follows:

(in AED'000)

	2025	2024
At 1 January	520,094	341,792
Billed during the year	1,632,119	1,397,092
Less: income recognised during the year	(1,410,342)	(1,218,790)
At 31 December	**741,871**	**520,094**

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)

	2025	2024
Revenue recognised that was included in the contract liability balance at the beginning of the period	146,034	111,142
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)

	2025	2024
District cooling services	3,402,090	3,239,722
Sale of pre-insulated pipes	17,214	20,767
	3,419,304	**3,260,489**

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.

Notes to the consolidated financial statements

for the year ended 31 december 2025

(in AED'000)

	2025				2024			
	Chilled water	**Pre-insulated pipe**	**Intersegment eliminations**	**Total**	**Chilled water**	**Pre-insulated pipe**	**Intersegment eliminations**	**Total**
Revenues								
External revenue*	3,402,090	17,214	-	3,419,304	3,239,722	20,767	-	3,260,489
Inter-segment revenue	-	30,369	(30,369)	-	-	28,496	(28,496)	-
Interest earned on financial asset	58,307	-	-	58,307	59,151	-	-	59,151
Total revenues	**3,460,397**	**47,583**	**(30,369)**	**3,477,611**	**3,298,873**	**49,263**	**(28,496)**	**3,319,640**
Cost of sales	(1,976,156)	(30,675)	17,548	(1,989,283)	(1,900,515)	(33,536)	16,554	(1,917,497)
Gross profit	**1,484,241**	**16,908**	**(12,821)**	**1,488,328**	**1,398,358**	**15,727**	**(11,942)**	**1,402,143**
General and administrative expenses	(250,767)	(5,616)	-	(256,383)	(229,303)	(5,816)	-	(235,119)
Reversal of expected credit losses	16,137	-	-	16,137	17,020	462	-	17,482
Other income	24,310	120	-	24,430	6,823	1,115	-	7,938
Operating profit	**1,273,921**	**11,412**	**(12,821)**	**1,272,512**	**1,192,898**	**11,488**	**(11,942)**	**1,192,444**
Finance income	53,254	2,093	-	55,347	52,600	1,427	-	54,027
Finance costs	(224,698)	-	-	(224,698)	(248,139)	-	-	(248,139)
Profit before tax	**1,102,477**	**13,505**	**(12,821)**	**1,103,161**	**997,359**	**12,915**	**(11,942)**	**998,332**
Income taxes	(99,157)	(1,153)	1,084	(99,226)	(90,003)	(94)	-	(90,097)
Net profit for the year	**1,003,320**	**12,352**	**(11,737)**	**1,003,935**	**907,356**	**12,821**	**(11,942)**	**908,235**

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)

	2025			2024		
	Chilled water	**Pre-insulated pipe**	**Total**	**Chilled water**	**Pre-insulated pipe**	**Total**
Depreciation of property, plant & equipment (Note 5)	349,981	2,218	352,199	340,012	2,320	342,332
Depreciation of right-of-use asset (Note 6)	5,361	-	5,361	4,592	-	4,592
Amortisation of intangible asset (Note 7)	12,157	-	12,157	12,157	-	12,157
Total depreciation and amortisation	**367,499**	**2,218**	**369,717**	**356,761**	**2,320**	**359,081**

Segment assets and liabilities are as follows:

(in AED'000)

	2025			2024		
	Chilled water	**Pre-insulated pipe**	**Total**	**Chilled water**	**Pre-insulated pipe**	**Total**
Segment assets	11,694,027	122,795	11,816,822	11,095,769	86,970	11,182,739
Investment in joint venture	-	-	-	307	-	307
Total assets	**11,694,027**	**122,795**	**11,816,822**	**11,096,076**	**86,970**	**11,183,046**
Total liabilities	**8,301,790**	**17,721**	**8,319,511**	**7,795,192**	**14,519**	**7,809,711**

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

(in AED'000)

	2025			2024		
	Chilled water	**Pre-insulated pipe**	**Total**	**Chilled water**	**Pre-insulated pipe**	**Total**
Property, plant and equipment	**585,364**	**73**	**585,437**	**435,979**	**20**	**435,999**

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	
	2025	**2024**	**2025**	**2024**
United Arab Emirates	3,419,304	3,260,489	9,038,193	8,823,595

Notes to the consolidated financial statements
for the year ended 31 december 2025

25 Cost of sales

(in AED'000)

	2025	2024
Utilities cost	1,481,133	1,452,212
Depreciation on property, plant and equipment (Note 5)	341,696	333,610
Staff costs (Note 27)	52,134	43,179
Repairs and maintenance	45,416	21,540
Amortisation of intangible assets (Note 7)	12,157	12,157
Materials (Note 10)	10,138	13,695
Depreciation on right-of-use assets (Note 6)	1,325	1,174
Impairment charge on property, plant and equipment	-	919
Others *	45,284	39,011
	1,989,283	**1,917,497**

** Others include expenses related to spares, consumables, insurance, freight and transportation.*

26 General and administrative expenses

(in AED'000)

	2025	2024
Staff costs (Note 27)	177,603	168,958
Depreciation on property, plant and equipment (Note 5)	10,503	8,722
Consultancy charges	7,363	4,768
Depreciation on investment properties (Note 37)	6,317	-
Directors' remuneration (Note 12)	5,940	5,880
Communication expenses	5,931	5,382
Bank charges	5,300	4,821
Advertising and marketing expenses*	5,188	5,584
Software maintenance expenses	4,388	3,851
Depreciation on right-of-use assets (Note 6)	4,036	3,418
HSE equipment expenses	2,764	2,352
Water and Electricity	2,226	2,240
Repairs & Maintenance	2,167	3,890
Business travel	1,676	2,328
Rent (Note 6)	556	504
Others	14,425	12,421
	256,383	**235,119**

** Includes social contributions of AED 14 thousand.*

27 Staff costs

(in AED'000)

	2025	2024
Salaries	149,795	135,645
Staff benefits	70,778	67,706
End of service benefits (Note 21)	9,164	8,786
	229,737	**212,137**
Staff costs have been charged to:		
Cost of sales (Note 25)	52,134	43,179
General and administrative expenses (Note 26)	177,603	168,958
	229,737	**212,137**

28 Income tax

The Group is subject to income tax on profits generated in the financial year commencing 1 January 2025, and current taxes are accounted. As of 31 December 2025, the Group has current tax liabilities of AED 97,585 thousand (2024: AED 88,953 thousand) and deferred tax asset (net) of AED 15,077 thousand (2024: AED 16,228 thousand).

The financial year ended December 31, 2025, is the first financial year in which Pillar Two legislation was effective in the UAE. The Group has assessed the applicability of the OECD Pillar Two model rules and concluded that it is not within the scope of the legislation.

(a) Component of income tax

Income tax credit recorded in consolidated statement of profit or loss comprises of the following:

(in AED'000)

	2025	2024
Current tax	98,082	88,953
Deferred tax	1,144	1,144
Income tax	**99,226**	**90,097**

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

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

(in AED'000)

	2025	2024
Profit before tax	1,103,161	998,332
Profit before tax at statutory rate of 9%	99,284	89,850
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Income exempt from taxation	(66)	(68)
Other adjustments	8	315
Income tax expense	**99,226**	**90,097**

The effective tax rate for the year 2025 is 9% (2024: 9%).

Notes to the consolidated financial statements
for the year ended 31 december 2025

(c) Deferred taxes analysed by type of temporary difference

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

Further, AED 6 thousand (31 December 2024: AED 82 thousand) of deferred tax relates to changes in fair value of financial assets at fair value through other comprehensive income which has been recognised in other comprehensive income in the consolidated statement of comprehensive income.

29 Other income

(in AED'000)

	2025	2024
Rental income	18,094	470
Government grant (Note 20)	2,780	2,780
Scrap sale	1,482	616
Others	2,074	4,072
	24,430	**7,938**

30 Finance costs – net

(in AED'000)

	2025	2024
Interest income on short-term bank deposits	49,180	48,690
Interest income on financial assets at FVTOCI (Note 9)	3,305	3,305
Interest income on call account with banks	1,384	1,221
Interest income on financial assets at FVTPL	1,478	811
Total finance income	**55,347**	**54,027**
Interest expense on bank borrowings	(228,728)	(298,975)
Amortisation of arrangement fees	(3,781)	(3,781)
Arrangement fees paid on refinance	(2,736)	(642)
Interest on lease liabilities	(164)	(230)
	(235,409)	(303,628)
Interest expenses capitalised	10,711	55,489
Total finance costs	**(224,698)**	**(248,139)**
Finance costs – net	**(169,351)**	**(194,112)**

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 4.92% (2024: 6%).

31 Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

(in AED'000)

Amortised cost	2025	2024
Cash and cash equivalents (Note 15)	2,255,745	1,936,627
Financial assets at amortised cost (Note 8)	1,304,839	1,324,787
Trade and other receivables, excluding prepayments and advance to contractors / suppliers (Note 11)	219,115	182,572
Due from related parties (Note 12)	39,353	18,076
Term deposits (Note 14)	57,704	30,264
Total	**3,876,756**	**3,492,326**

Fair value through other comprehensive income (FVTOCI)

(in AED'000)

	2025	2024
Financial assets at fair value through other comprehensive income (Note 9)	55,778	55,709

Financial assets at fair value through profit or loss (FVTPL)

(in AED'000)

	2025	2024
Investment in National Bonds (Note 13)	45,461	25,466

(in AED'000)

	2025	2024
Other financial liabilities at amortised cost		
Bank borrowings (Note 19)	5,503,418	5,498,415
Trade and other payables (excluding deferred revenues and including non-current retention payable) (Note 22)	1,439,020	1,173,732
Due to related parties (Note 12)	161,670	159,372
Lease liabilities (Note 6)	1,886	5,551
	7,105,994	**6,837,070**

The fair values of the Group's financial assets and liabilities are not materially different from their carrying values at the reporting date.

Notes to the consolidated financial statements
for the year ended 31 december 2025

32 Non-controlling interests

Set out overleaf is summarised financial information for a subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed are before inter-company eliminations.

(in AED'000)

	2025	2024
Summarised statement of financial position		
Current assets	279,358	207,473
Current liabilities	35,870	49,355
Current net assets	243,488	158,118
Non-current assets	998,773	1,013,256
Net assets	**1,242,261**	**1,171,374**
Accumulated NCI	**186,377**	**175,745**

(in AED'000)

	2025	2024
Summarised statement of comprehensive income		
Total comprehensive income	70,883	76,540
Profit allocated to NCI	**10,633**	**11,481**

(in AED'000)

	2025	2024
Summarised cash flows		
Cash flows from operating activities	64,644	113,662
Cash flows from investing activities	5,488	2,490
Net increase in cash and cash equivalents	**70,132**	**116,152**

33 Guarantees

As at 31 December 2025 and 2024, the Group had no outstanding bank guarantees and letters of credits.

34 Commitments

Capital commitments

As at 31 December 2025, the Group had project commitments of AED 825,129 thousand (2024: AED 726,784 thousand) for projects-in-progress. These commitments represent the value of contracts issued as at 31 December 2025 and as at 31 December 2024, net of invoices recorded and accruals made as at that date.

35 Earnings per share

(in AED'000)

	2025	2024
Profit attributable to the ordinary equity holders of the Company	993,302	896,754
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	**0.099**	**0.090**

36 Non-cash transactions

(in AED'000)

	2025	2024
Capital expenditure	171,085	129,218
Additions of right-of-use-assets (Note 6)	1,726	4,036

37 Investment properties

(in AED'000)

	2025	2024
	Land and building	
At 1 January	118,015	85,645
Additions during the year	25,687	-
Transfers from property, plant and equipment (Note 5)	33,408	32,370
Depreciation	(6,317)	-
At 31 December	**170,793**	**118,015**

The Group started construction of its head quarter project in 2021. The project consists of two towers (residential tower and office tower) with common area and retail outlets. The Group intends to occupy office tower for its own use and is classified as property, plant and equipment (Note 5) which is expected to be completed by second quarter of 2026. The residential tower is complete and the management has leased it.

During the year ended 31 December 2025, management revisited its plan of occupation of office tower and concluded to lease three floors for commercial use. As a result, the carrying amount of these floors and related areas were transferred to investment properties from property, plant and equipment (Note 5).

The investment property includes Land amounting to AED 2,536 thousand (2024: AED 2,536 thousand).

The investment property is carried at cost and its fair value approximates to AED 239,350 thousand (31 December 2024: AED 180,050 thousand). It is valued by qualified independent property valuation firms based on income method and the significant input is rent per square feet. The fair value stated is determined using valuation methods with parameters not based exclusively on observable market data (level 3). Rental income recognised during the year was AED 16,030 thousand in the consolidated statement of profit or loss (2024: nil).

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.

Notes to the consolidated financial statements

for the year ended 31 december 2025

(in AED'000)

	Level 1	Level 2	Level 3	Total
31 December 2025				
Financial assets at fair value through other comprehensive income (Note 9)	55,778	-	-	55,778
Financial assets at fair value through profit or loss (Note 13)	-	45,461	-	45,461
	55,778	**45,461**	**-**	**101,239**
31 December 2024				
Financial assets at fair value through other comprehensive income (Note 9)	55,709	-	-	55,709
Financial assets at fair value through profit or loss (Note 13)	-	25,466	-	25,466
	55,709	**25,466**	**-**	**81,175**

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)

	2025	2024
Final dividend for the year ended 31 December 2024 AED 0.04375 per share (2024: Final dividend for the year ended 31 December 2023, AED 0.0425 per share)	437,500	425,000
Interim dividend for the year ended 31 December 2025 AED 0.04375 per share (2024: Interim dividend of AED 0.0425 per share)	437,500	425,000
Total dividends	**875,000**	**850,000**

During the year 2025, a final dividend of AED 437,500 thousand (AED 0.04375 per share) in respect of the year ended 31 December 2024 was declared and approved in the Annual General Assembly Meeting held on 19 March 2025 which was paid on 16 April 2025 (2024: Final dividend of AED 425,000 thousand (AED 0.0425 per share)). Further an interim dividend of AED 437,500 thousand (AED 0.04375 per share) in respect of the six-month period ended 30 June 2025 was declared and approved in the General Assembly Meeting held on 9 October 2025 which was paid on 30 October 2025 (2024: Interim dividend of AED 425,000 thousand (AED 0.0425 per share)).

40 Corresponding figures

The Group had previously presented receipts of AED 55,792 thousand as a non-cash adjustment to "Operating cash flows before changes in working capital and payment of employees' end of service benefits," under "Remeasurement of financial assets (settlement of financial assets)" in the statement of cash flows which has been presented as changes in Financial assets within the "Changes in working capital" in the consolidated statement of cash flows. This reclassification has no impact on the net cash generated from operating activities.

Appendices

05.
Appendices

Optimising the future requires transparency and global alignment. This section provides the technical indices and GRI disclosures that validate our sustainability reporting quality, reinforcing the institutional trust and governance maturity that support our long-term investment proposition and urban prosperity.

GRI content index (2025)

Reporting option: In accordance (Core)

Reporting period: 1 January 2025 – 31 December 2025

Key to locations: "Section" refers to the main report sections; "Statutory Section" refers to Corporate Governance, Directors' Report and Financial Statements.

Universal Standards

GRI Standard	Disclosure	Location (Report section / Statutory section)
GRI 1: Foundation 2021	1.1–1.4 Requirements	About this Integrated Annual Report
GRI 2: General Disclosures 2021	2-1 Organisational details	Who we are & role in urban infrastructure + Corporate Information
	2-2 Entities included in the organisation's sustainability reporting	About this Integrated Annual Report
	2-3 Reporting period, frequency and contact point	About this Integrated Annual Report + Corporate Information
	2-4 Restatements of information	About this Integrated Annual Report
	2-5 External assurance	Independent Auditor's Report + About this Integrated Annual Report
	2-6 Activities, value chain and other business relationships	Business Model
	2-7 Employees	People, safety and social impact
	2-8 Workers who are not employees	People, safety and social impact
	2-9 Governance structure and composition	Oversight of sustainability + Corporate Governance Report
	2-10 Nomination and selection of the highest governance body	Corporate Governance Report
	2-11 Chair of the highest governance body	Corporate Governance Report
	2-12 Role of the highest governance body in overseeing the management of impacts	Oversight of sustainability
	2-13 Delegation of responsibility for managing impacts	Oversight of sustainability
	2-14 Role of the highest governance body in sustainability reporting	About this Integrated Annual Report
	2-15 Conflicts of interest	Corporate Governance Report
	2-16 Communication of critical concerns	Risk, resilience and future preparedness
	2-17 Collective knowledge of the highest governance body	Corporate Governance Report
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Report
	2-19 Remuneration policies	Corporate Governance Report / Remuneration Report
	2-20 Process to determine remuneration	Corporate Governance Report / Remuneration Report
	2-21 Annual total compensation ratio	Remuneration Report
	2-22 Statement on sustainable development strategy	Chairman's Message + Strategy
	2-23 Policy commitments	Sustainability framework and commitments + Corporate Governance Report
	2-24 Embedding policy commitments	Sustainability framework and commitments + Oversight of sustainability
	2-25 Processes to remediate negative impacts	Oversight of sustainability + People, safety and social impact
	2-26 Mechanisms for seeking advice and raising concerns	Corporate Governance Report
	2-27 Compliance with laws and regulations	Directors' Report / Corporate Governance Report
	2-28 Membership associations	Corporate Information / Directors' Report
	2-29 Approach to stakeholder engagement	Stakeholders and engagement outcomes
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material topics and strategic alignment
	3-2 List of material topics	Material topics and strategic alignment
	3-3 Management of material topics	Material topics and strategic alignment + Oversight of sustainability + Performance indicators & targets

Economic Standards (GRI 200)

GRI Standard	Disclosure	Location (Report section / Statutory section)
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Operational & financial performance + Financial Statements
	201-2 Financial implications and other risks and opportunities due to climate change	Risk, resilience and future preparedness + Strategy + Financial Statements
	201-3 Defined benefit plan obligations and other retirement plans	Financial Statements – Employee benefits note
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Operating environment & market outlook + Business Model + Operational & financial performance + Financial Statements – PPE/Capex notes
	203-2 Significant indirect economic impacts	People, safety and social impact
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Sustainability framework and commitments / Financial Statements or procurement disclosure
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Corporate Governance Report
	205-2 Communication and training about anti-corruption policies and procedures	Corporate Governance Report / People, safety and social impact
	205-3 Confirmed incidents of corruption and actions taken	Directors' Report / Corporate Governance Report
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	Directors' Report / Financial Statements – Contingencies & legal proceedings note
GRI 207: Tax 2019	207-1 Approach to tax	Corporate Governance Report or Tax disclosure section
	207-2 Tax governance, control and risk management	Corporate Governance Report
	207-3 Stakeholder engagement and management of concerns related to tax	Corporate Governance Report

Environmental Standards (GRI 300)

GRI Standard	Disclosure	Location (Report section / Statutory section)
GRI 301: Materials 2016	301-2 Recycled input materials used	Environmental performance and efficiency
GRI 302: Energy 2016	302-3 Energy intensity	Environmental performance and efficiency
	302-4 Reduction of energy consumption	Environmental performance and efficiency + Strategy
GRI 303: Water and Effluents 2018	303-5 Water consumption	Environmental performance and efficiency + Operational & financial performance
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environmental performance and efficiency
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental performance and efficiency
	305-3 Other indirect (Scope 3) GHG emissions	Environmental performance and efficiency
	305-4 GHG emissions intensity	Environmental performance and efficiency
	305-5 Reduction of GHG emissions	Environmental performance and efficiency
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Environmental performance and efficiency
	306-2 Management of significant waste-related impacts	Environmental performance and efficiency
	306-3 Waste generated	Environmental performance and efficiency
	306-4 Waste diverted from disposal	Environmental performance and efficiency
	306-5 Waste directed to disposal	Environmental performance and efficiency

GRI content index (2025)

Social Standards (GRI 400)

GRI Standard	Disclosure	Location (Report section / Statutory section)
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	People, safety and social impact
	401-2 Benefits provided to full-time employees	People, safety and social impact HR policy disclosure
	401-3 Parental leave	People, safety and social impact
GRI 403: Occupational Health and Safety 2018	403-1 OHS management system	People, safety and social impact
	403-2 Hazard identification, risk assessment and incident investigation	People, safety and social impact
	403-3 Occupational health services	People, safety and social impact
	403-4 Worker participation, consultation and communication	People, safety and social impact
	403-5 Worker training on OHS	People, safety and social impact
	403-6 Promotion of worker health	People, safety and social impact
	403-7 Prevention and mitigation of OHS impacts directly linked by business relationships	People, safety and social impact
	403-8 Workers covered by an OHS management system	People, safety and social impact
	403-9 Work-related injuries	People, safety and social impact
	403-10 Work-related ill health	People, safety and social impact
GRI 404: Training and Education 2016	404-1 Average hours of training per employee per year	People, safety and social impact
	404-2 Programmes for upgrading employee skills and transition assistance programmes	People, safety and social impact
	404-3 Percentage of employees receiving regular performance and career development reviews	People, safety and social impact
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	People, safety and social impact + Corporate Governance Report
	405-2 Ratio of basic salary and remuneration of women to men	Remuneration Report / HR disclosure
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments and development programmes	People, safety and social impact
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers screened using social criteria	Sustainability framework and commitments
	414-2 Negative social impacts in the supply chain and actions taken	Sustainability framework and commitments
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labelling	Stakeholders and engagement outcomes / Corporate Governance Report
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Corporate Governance Report / Risk section
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	Directors' Report / Corporate Governance Report

Glossary

A

Chilled Water Network
The insulated pipeline infrastructure that transports chilled water from district cooling plants to connected buildings for air-conditioning.

Circular Water Economy
A water management approach focused on maximising reuse and recycling while minimising freshwater consumption through advanced treatment and recovery processes.

Connected Capacity (RT)
The total cooling capacity currently delivered to buildings connected to the district cooling network, representing active demand served by operational infrastructure.

Contracted Capacity (RT)
Cooling capacity secured through long-term customer agreements but not yet connected to the network, representing future demand visibility.

D

District Cooling
A centralised cooling system where chilled water is produced at large plants and distributed through underground pipelines to multiple buildings for air-conditioning.

E

Energy Efficiency Ratio (EER)
A metric used to measure the efficiency of cooling systems, calculated as the ratio of cooling output to electrical energy input.

N

Net Zero
A state in which greenhouse gas emissions released into the atmosphere are balanced by equivalent emissions reductions or removals.

O

Operational Technology (OT)
Industrial control systems used to monitor and operate physical infrastructure such as cooling plants, pumps, and distribution networks.

P

Plant Load Factor (PLF)
A measure of plant utilisation indicating the ratio of actual cooling output to maximum potential capacity over a given period.

Peak Load Management
Operational strategies used to balance cooling demand during high-consumption periods and maintain system stability.

R

Reverse Osmosis (RO)
A membrane-based water purification process used to remove dissolved salts and impurities, enabling water recycling and treatment.

RT (Refrigeration Tonnes)
A standard unit used to measure cooling capacity. One refrigeration tonne represents the cooling effect required to freeze one tonne of water into ice within 24 hours.

S

SIEM (Security Information and Event Management)
A cybersecurity monitoring system that aggregates and analyses operational and network data to detect threats and security incidents.

T

TCFD (Task Force on Climate-related Financial Disclosures)
An international framework for reporting climate-related risks and opportunities across governance, strategy, risk management, and metrics.

Thermal Energy Storage (TES)
A technology that stores chilled water or ice during off-peak periods for use during peak demand, improving energy efficiency and grid stability.

Treated Sewage Effluent (TSE)
Wastewater that has undergone advanced treatment and is reused for non-potable applications such as cooling systems and irrigation.

U

Utility Infrastructure Platform
Large-scale infrastructure assets delivering essential services through long-term contracted networks and regulated operating frameworks.

W

Water Treatment Capacity (m^3/day)
The daily volume of water that a treatment facility can process. One cubic metre equals 1,000 litres.

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