

Dubai Electricity and Water
Authority (PJSC) and
its subsidiaries

Condensed consolidated interim
financial information

*for the six-month period ended
30 June 2023 (unaudited)*

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Condensed consolidated interim financial information

for the six-month period ended 30 June 2023 (unaudited)

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Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Information

To the Shareholders of Dubai Electricity and Water Authority (PJSC)

Introduction

We have reviewed the accompanying 30 June 2023 condensed consolidated interim financial information of Dubai Electricity and Water Authority (PJSC) ("DEWA" or "the Authority" or "the Company") and its subsidiaries ("the Group"), which comprises:

- the condensed consolidated interim statement of financial position as at 30 June 2023;
- the condensed consolidated interim statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2023;
- the condensed consolidated interim statement of changes in equity for the six-month period ended 30 June 2023;
- the condensed consolidated interim statement of cash flows for the six-month period ended 30 June 2023; and
- notes to the condensed consolidated interim financial information.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, *"Interim Financial Reporting"*. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.



Dubai Electricity and Water Authority (PJSC)
*Independent Auditors' Report on Review of
Condensed Consolidated Interim Financial Information
30 June 2023*

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2023 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting".

KPMG Lower Gulf Limited

Emilio Pera
Registration No.: 1146
Dubai, United Arab Emirates

Date: 10 AUG 2023

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

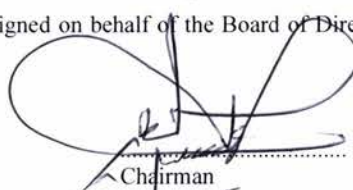
Condensed consolidated interim statement of financial position as at

	Notes	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	6	154,910,895	154,029,411
Intangible assets	7	453,155	471,123
Investments accounted for using the equity method	8	640	640
Derivative financial instruments	9	1,125,212	1,294,802
Financial assets at fair value through other comprehensive income	10	53,897	52,911
Investment property	11	80,431	72,859
Other assets	12	1,145,880	1,134,897
Other financial assets	13	1,743,452	1,457,956
Total non-current assets		159,513,562	158,514,599
Current assets			
Derivative financial instruments	9	609,246	492,106
Other assets	12	129,278	131,845
Other financial assets	13	3,342,956	3,133,758
Inventories	14	1,423,143	1,445,216
Trade receivables	15	4,821,924	4,172,854
Short-term deposits	16	4,056,836	7,532,503
Cash and cash equivalents	17	4,929,133	5,287,415
Total current assets		19,312,516	22,195,697
Total assets		178,826,078	180,710,296
Equity and liabilities			
Equity			
Share capital	18	500,000	500,000
Capital contribution	18	40,042,885	40,042,885
Statutory reserve	18	591,346	591,346
Hedging reserve	18	925,235	954,247
Retained earnings	18	45,248,221	47,338,862
		87,307,687	89,427,340
Non-controlling interests		2,993,454	2,953,130
Total equity		90,301,141	92,380,470
Liabilities			
Non-current liabilities			
Derivative financial instruments	9	4,747	4,578
Borrowings	19	29,549,616	37,317,975
Retirement benefit obligations	20	1,018,824	1,010,493
Lease liabilities	21	18,898	23,528
Other long-term liabilities	22	32,919,471	32,802,528
Total non-current liabilities		63,511,556	71,159,102
Current liabilities			
Borrowings	19	10,651,941	3,371,854
Lease liabilities	21	12,580	12,884
Trade and other payables	23	14,339,750	13,690,643
Total current liabilities		25,004,271	17,075,381
Total liabilities		88,515,827	88,234,483
Total equity and liabilities		178,816,968	180,614,953
Regulatory deferral account credit balance	24	9,110	95,343
Total equity, liabilities and regulatory deferral account credit balance		178,826,078	180,710,296

To the best of our knowledge, the condensed consolidated interim financial information fairly represents in all material respects, the financial position, results of operation and cash flows for the Group as of and for the six-month period ended 30 June 2023.

The condensed consolidated interim financial information was approved and signed on behalf of the Board of Directors on 10 August 2023 by:


 Managing Director &
 Chief Executive Officer


 Chairman

The independent auditors' report on review of condensed consolidated interim financial information is set out on pages 1 and 2.

The notes on pages 8 to 38 form an integral part of this condensed consolidated interim financial information.

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Condensed consolidated interim statement of profit or loss and other comprehensive income

	Notes	For the six-month period ended 30 June		For the three-month period ended 30 June	
		2023	2022	2023	2022
		AED'000 (Unaudited)	AED'000 (Unaudited)	AED'000 (Unaudited)	AED'000 (Unaudited)
Revenue	26	12,729,429	12,076,945	7,293,615	7,009,144
Cost of sales	27	(8,382,227)	(7,817,256)	(4,482,122)	(4,194,235)
Gross profit		4,347,202	4,259,689	2,811,493	2,814,909
Administrative expenses	28	(1,279,327)	(1,369,543)	(592,276)	(666,720)
Credit impairment losses	29	(39,633)	(17,000)	(38,156)	(20,057)
Other income		86,911	270,725	42,374	137,810
Operating profit		3,115,153	3,143,871	2,223,435	2,265,942
Finance income	30	449,611	292,736	247,308	251,984
Finance costs	30	(911,166)	(492,031)	(514,898)	(110,482)
Finance (costs)/income – net	30	(461,555)	(199,295)	(267,590)	141,502
Profit for the period before net movement in regulatory deferral account		2,653,598	2,944,576	1,955,845	2,407,444
Net movement in regulatory deferral account credit balance	24	86,233	356,638	20,807	203,115
Profit for the period and net movement in regulatory deferral account		2,739,831	3,301,214	1,976,652	2,610,559
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurement of retirement benefit obligations	20.1	8,558	(1,883)	8,446	(1,883)
Debt instrument at FVOCI – change in fair value	10	986	(3,993)	328	(1,500)
<i>Items that may be reclassified to profit or loss</i>					
Cash flow hedges – reclassified to profit or loss		(258,683)	168,412	(138,703)	67,297
Cash flow hedges – effective portion of changes in fair value of derivative financial instruments	9	201,017	3,093,495	713,492	1,155,796
Other comprehensive (loss)/income for the period		(48,122)	3,256,031	583,563	1,219,710
Total comprehensive income for the period		2,691,709	6,557,245	2,560,215	3,830,269
Profit for the period attributable to					
- Owners of the Company		2,674,014	3,148,936	1,930,254	2,414,426
- Non-controlling interests		65,817	152,278	46,398	196,133
		2,739,831	3,301,214	1,976,652	2,610,559
Total comprehensive income for the period attributable to					
- Owners of the Company		2,650,347	4,858,757	2,238,236	3,041,843
- Non-controlling interests		41,362	1,698,488	321,979	788,426
		2,691,709	6,557,245	2,560,215	3,830,269
Earnings per share					
Basic earnings per share (AED)	35	0.053	0.063	0.039	0.048

The independent auditors' report on review of condensed consolidated interim financial information is set out on pages 1 and 2.

The notes on pages 8 to 38 form an integral part of this condensed consolidated interim financial information.

Condensed consolidated interim statement of changes in equity

The notes on pages 8 to 38 form an integral part of this condensed consolidated interim financial information.

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Condensed consolidated interim statement of changes in equity (continued)

	Attributable to the Owners						Non-controlling interests AED'000	Total equity AED'000
	Share capital AED'000	Capital contribution AED'000	Statutory reserve AED'000	Hedging reserve AED'000	Retained earnings AED'000	Total AED'000		
At 1 January 2023 (Audited)	500,000	40,042,885	591,346	954,247	47,338,862	89,427,340	2,953,130	92,380,470
Total comprehensive income for the period								
Profit for the period	-	-	-	-	2,674,014	2,674,014	65,817	2,739,831
Other comprehensive income for the period	-	-	-	(29,012)	5,345	(23,667)	(24,455)	(48,122)
Total comprehensive loss for the period	-	-	-	(29,012)	2,679,359	2,650,347	41,362	2,691,709
Transactions with the Owners								
Capital contribution by non-controlling interests	-	-	-	-	-	-	188,032	188,032
Dividends (refer note 34)	-	-	-	-	(4,770,000)	(4,770,000)	(189,070)	(4,959,070)
At 30 June 2023 (Unaudited)	500,000	40,042,885	591,346	925,235	45,248,221	87,307,687	2,993,454	90,301,141

The notes on pages 8 to 38 form an integral part of this condensed consolidated interim financial information.

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Condensed consolidated interim statement of cash flows

	Notes	For the six-month period ended 30 June	
		2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited)
Net cash generated from operating activities	32	5,434,437	4,597,108
Investing activities			
Purchase of property, plant and equipment net of movements in trade payables and other long-term liabilities		(3,306,204)	(5,168,924)
Deposits with original maturity of greater than three months – placed during the period		(35,700)	(1,965,428)
Deposits with original maturity of greater than three months – matured during the period		3,511,367	110,270
Additions to investment property		(7,572)	-
Purchase of intangible assets	7	(11,124)	(4,574)
Movement in other financial assets	13	172,809	(59,455)
Interest received		355,074	70,562
Proceeds from disposal of property, plant and equipment		446	223
Net cash generated from/(used in) investing activities		679,096	(7,017,326)
Financing activities			
Repayments of borrowings		(1,496,656)	(591,373)
Proceeds from borrowings		933,603	12,027,932
Capital contribution by non-controlling interests		188,032	257,075
Interest paid		(1,174,097)	(667,857)
Payment of lease liabilities		(6,943)	(2,448)
Dividend paid to the Owners		(4,770,000)	(10,000,000)
Dividends paid to non-controlling interests		(189,070)	(152,527)
Net cash (used in)/generated from financing activities		(6,515,131)	870,802
Net decrease in cash and cash equivalents		(401,598)	(1,549,416)
Cash and cash equivalents, beginning of period	17	4,722,296	4,972,048
Cash and cash equivalents, end of period	17	4,320,698	3,422,632

Material non-cash transactions:

- There was no land transferred to the group during the period (for six-month period ended 30 June 2022: AED 62 million) (refer note 6).

The independent auditors' report on review of condensed consolidated interim financial information is set out on pages 1 and 2.

The notes on pages 8 to 38 form an integral part of this condensed consolidated interim financial information.

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information

for the six-month period ended 30 June 2023 (unaudited)

1 Establishment and operations

Dubai Electricity and Water Authority (“DEWA” or “the Authority” or “the Company”) was incorporated on 1 January 1992 in the Emirate of Dubai by a decree (“the Original Decree”) issued by H.H. The Ruler of Dubai, effective 1 January 1992, as an independent public authority having the status of a body corporate, and financially and administratively independent from the Government. In accordance with the Original Decree, all rights, property and assets of Dubai Electricity Company (“DEC”) and Dubai Water Department (“the Department”) belonging to the Government, were vested in the Authority, and the Authority was held responsible for all liabilities and debts of DEC and the Department, of any kind whatsoever. Together, DEC and the Department formed DEWA from the effective date of the Original Decree.

The principal activities of the Authority, in accordance with the Original Decree and Decree No. 13 of 1999 which amended some of the provisions of the Original Decree, comprise water desalination and distribution and the generation, transmission and distribution of electricity, throughout the Emirate of Dubai. The registered address of the Authority is P.O. Box 564, Dubai, United Arab Emirates (“UAE”).

During the prior years, the Authority was wholly owned by the Government of Dubai which announced its plan to list the shares of the Authority on the Dubai Financial Market (DFM). In the year 2022, Department of Finance (DoF), Government of Dubai had sold 18% of its shareholding in the Authority through an Initial Public Offering (“IPO”). The Authority got listed on the Dubai Financial Market (DFM) and its shares started trading with effect from 12 April 2022.

The ownership structure of the Authority is as follows:

	Ownership %
Department of Finance (DoF), Government of Dubai	82%
Local and international investors (including institutional and retail investors)	18%
	100%

DEWA and its subsidiaries are collectively referred to as “the Group”. The Group either directly or indirectly controls following significant subsidiaries, which are domiciled in UAE:

Name of the entity	Percentage of beneficial ownership		Principal business activities
	30 June 2023 (Unaudited)	31 December 2022 (Audited)	
Al Etihad Energy Services Company LLC	100	100	Implement energy efficiency measures in buildings
Etihad Clean Energy Development Company LLC	100	100	Buildings energy efficiency services, solar energy systems rental and solar energy systems installation
Jumeirah Energy International Holdings LLC (JEIHL)	100	100	Holding Company
Jumeirah Energy International LLC (JEI)	100	100	Holding Company
Mai Dubai LLC	100	100	Purification and sale of potable water
Hassyan Energy 1 Holdings LLC	100	100	Holding Company
Shuaa Energy 2 Holdings LLC	100	100	Holding Company

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the six-month period ended 30 June 2023 (unaudited)

1 Establishment and operations *(continued)*

Name of the entity	Percentage of beneficial ownership		Principal business activities
	30 June 2023 (Unaudited)	31 December 2022 (Audited)	
Shuaa Energy 3 Holdings LLC	100	100	Holding Company
Jumeirah Energy International Capital Holding LLC	100	100	Holding Company
Jumeirah Energy International Silicon Valley LLC	100	100	Holding Company
Noor Energy 1 Holdings LLC	100	100	Holding Company
Data Hub Integrated Solutions LLC (MORO)	100	100	Established to provide services including IT, and infrastructure, networking and computer system housing services
Digital DEWA LLC	100	100	Investment in commercial, industrial, retail trade and energy enterprises and management
Infra X	100	100	To provide services including IT and computer housing services
Dubai Green Fund Investments LLC	100	100	To invest and manage commercial, industrial, retail trade and energy enterprises
Utilities Management Company LLC	78	78	Holding Company
Emirates Central Cooling Systems Corporation PJSC (EMPOWER)	56	56	Provision of district cooling services, management, maintenance of central cooling plants and related distribution networks
EMPOWER FM LLC	56	56	Air conditioning, ventilation and air filtration system, installation and maintenance
EMPOWER Engineering & Consultancy LLC	56	56	Project development consultant services
Palm Utilities LLC	56	56	Establish and operate district cooling projects and provide air conditioning, ventilator and refrigeration services
Palm District Cooling LLC (PDC)	56	56	Establish and operate district cooling projects and provide air conditioning, ventilator and refrigeration services.
EMPOWER Logstor LLC	54.3	54.3	Manufacturing of pre-insulated pipes, mainly for district cooling
Shuaa Energy 2 P.S.C	60	60	Establish and provide full range of services for generation of electricity
Innogy International Middle East LLC	51	51	Energy projects consultancy, desalination and sewage treatment plants operations and maintenance
Shuaa Energy 1 P.S.C	51	51	Establish and provide full range of services for generation of electricity
Hassyan Energy Phase 1 P.S.C	51	51	Establish and provide full range of services for generation of electricity

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the six-month period ended 30 June 2023 (unaudited)

1 Establishment and operations *(continued)*

Name of the entity	Percentage of beneficial ownership		Principal business activities
	30 June 2023	31 December 2022	
	(Unaudited)	(Audited)	
Noor Energy 1 P.S.C	51	51	Establish and provide full range of services for generation of electricity
Digital X LLC	100	100	Establish and provide full range of services for information technology, data entry, network consultancies
Smart Energy X LLC	100	100	Establish and provide full range of services for parking management electronic systems installation and maintenance
Shuaa Energy 3 P.S.C	60	60	Establish and provide full range of services for generation of electricity
Forward Investments Limited	100	100	Holding Company
Dubai Carbon Centre of Excellence	100	100	Energy projects engineering consultancy and carbon control systems trading
Hassyan Water Company 1 Holding LLC	100	100	Investment in commercial enterprises & management and industrial enterprises & management
Hassyan Water Company 1 P.S.C	60	60	Water desalination including collecting of water, sterilizing and transporting it in lines and linking it to a water distribution network and operating and maintaining water production projects
SecureX	100	100	Computer systems housing services, communication equipment, software design, data classification & analysis services, IT infrastructure, data centre co-location services and information technology network services
Space D	100	100	Managing & operating satellites & provision satellite services, wired & wireless communication systems installation and space situational tracking, monitoring & awareness services
EMPOWER Snow LLC	56	56	Establish and operate district cooling projects and provide air-conditioning, ventilation and refrigeration services

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the six-month period ended 30 June 2023 *(unaudited)*

2 Summary of significant accounting policies

The principal accounting policies applied by the Group in the preparation of these condensed consolidated interim financial information are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

These condensed consolidated interim financial information for the six-month period ended 30 June 2023 have been prepared in accordance with International Accounting Standard 34 '*Interim Financial Reporting*'.

The Group's condensed consolidated interim financial information are presented in UAE Dirhams (AED), which is also the Group's functional currency. Subsidiaries and joint ventures determine their own functional currency and items included in the financial information of these companies are measured using that functional currency. All financial information presented in AED has been rounded to the nearest thousand.

The accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 December 2022, as described in those financial statements, except for certain new and revised standards that became effective in the current period (if applicable). This condensed consolidated interim financial information does not include all the notes of the type normally included in the annual consolidated financial statements. Accordingly, this condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2022.

The preparation of condensed consolidated interim financial information in conformity with International Financial Reporting Standards ("IFRS") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement 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 Group's condensed consolidated interim financial information are consistent with the annual consolidated financial statements for the year ended 31 December 2022.

Results for the six-month period ended 30 June 2023 are not necessarily indicative of the results that may be expected for the year ending 31 December 2023.

2.2 Basis of measurement

This condensed consolidated interim financial information has been prepared on a historical cost basis except for certain financial assets and financial liabilities measured at fair value.

2.3 Use of estimates and judgments

In preparing the condensed consolidated interim financial information, management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amount of assets and liabilities, income and expenses.

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the six-month period ended 30 June 2023 (unaudited)

2 Summary of significant accounting policies *(continued)*

2.3 Use of estimates and judgments *(continued)*

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. In preparing this condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the annual consolidated financial statements as at and for the year ended 31 December 2022.

2.4 New standards, amendments and interpretations

New standards, amendments and interpretations issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted, however, the Group has not early adopted the new or amended standards in preparing the condensed consolidated interim financial information.

The following amended standards and interpretations are not expected to have a significant impact on the Group's condensed consolidated interim financial information:

	Effective date
Non-current Liabilities with covenants – Amendments to IAS 1 and	
Classifications of liabilities as Current or Non-current – Amendments to IAS 1	1 January 2024
Lease liabilities in a Sale and Leaseback – Amendment to IFRS 16	1 January 2024
	Available for optional
	adoption/ effective
Sale of contribution of Assets between an Investor and its Associate or Joint	date deferred
Venture (Amendments to IFRS 10 and IAS 28)	indefinitely

New standards, amendments and interpretations effective during the period

The following new or amended standards that are required to be adopted in annual periods beginning on 1 January 2023 and do not have a significant impact on the Group's condensed consolidated interim financial information:

	Effective date
IFRS 17 Insurance Contracts	1 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice	
Statement 2)	1 January 2023
Definition of Accounting Estimates (Amendments to IAS 8)	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction	
(Amendments to IAS 12)	1 January 2023
International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)	23 May 2023

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the six-month period ended 30 June 2023 (unaudited)

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and cash flow and fair value interest rate risk), credit risk and liquidity risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements. Accordingly, this condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2022. There have been no changes in the risk management department or in any risk management policies since the year end.

3.2 Fair value estimation

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at amortised cost.

The carrying value of financial assets and financial liabilities approximates their fair value except derivatives which are the only financial instruments which are carried at fair value and fall into Level 2 of the fair value hierarchy.

To provide an indication about the reliability of the inputs used in determining fair value disclosed in this condensed consolidated interim financial information, the Group has classified its financial instruments into three levels described below:

- a. Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- b. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- c. Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

4 Seasonality of operations

Due to the seasonal nature of the operations of the Group, higher revenues and operating profits are usually expected in the second half of the year than the first six months. In the year ended 31 December 2022, 44% of revenue accumulated in the first half of the year, with 56% accumulating in the second half.

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information (continued)
for the six-month period ended 30 June 2023 (unaudited)

5 Segment reporting

Information about reportable segments and reconciliation of information on reportable segments to the amount reported in the annual consolidated financial statements

Information related to each reportable segment is set out below. Segment profit/(loss) before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in similar industries.

	DEWA	EMPOWER	IPP	Others	Eliminations	Total
30 June 2023 (Unaudited)	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Segment assets						
Non-current assets	134,590,569	7,775,042	31,831,967	2,477,190	(17,161,206)	159,513,562
Current assets	12,124,151	1,846,558	2,658,031	4,433,247	(1,749,471)	19,312,516
Total assets	146,714,720	9,621,600	34,489,998	6,910,437	(18,910,677)	178,826,078
Segment liabilities						
Non-current liabilities	41,827,824	4,868,728	28,514,637	111,306	(11,810,939)	63,511,556
Current liabilities	19,672,232	1,730,630	2,756,565	3,684,406	(2,839,562)	25,004,271
Regulatory deferral account credit balance	9,110	-	-	-	-	9,110
Total liabilities and regulatory deferral account credit balance	61,509,166	6,599,358	31,271,202	3,795,712	(14,650,501)	88,524,937
Net segment assets	85,205,554	3,022,242	3,218,796	3,114,725	(4,260,176)	90,301,141
	DEWA	EMPOWER	IPP	Others	Eliminations	Total
31 December 2022 (Audited)	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Segment assets						
Non-current assets	132,111,470	7,776,101	31,016,060	2,194,551	(14,583,583)	158,514,599
Current assets	14,787,377	1,878,874	2,825,200	4,133,381	(1,429,135)	22,195,697
Total assets	146,898,847	9,654,975	33,841,260	6,327,932	(16,012,718)	180,710,296
Segment liabilities						
Non-current liabilities	47,483,807	4,859,945	27,933,985	135,690	(9,254,325)	71,159,102
Current liabilities	12,020,925	1,760,288	2,597,068	3,237,266	(2,540,166)	17,075,381
Regulatory deferral account credit balance	95,343	-	-	-	-	95,343
Total liabilities and regulatory deferral account credit balance	59,600,075	6,620,233	30,531,053	3,372,956	(11,794,491)	88,329,826
Net segment assets	87,298,772	3,034,742	3,310,207	2,954,976	(4,218,227)	92,380,470

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the six-month period ended 30 June 2023 (unaudited)

5 Segment reporting *(continued)*

Other segment information

	DEWA	EMPOWER	IPP	Others	Eliminations	Total
30 June 2023 (Unaudited)	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Revenue	11,650,090	1,224,831	859,043	682,481	(1,687,016)	12,729,429
Cost of sales	(7,779,985)	(644,119)	(635,409)	(432,577)	1,109,863	(8,382,227)
Gross profit	3,870,105	580,712	223,634	249,904	(577,153)	4,347,202
Administrative expenses	(1,311,406)	(106,184)	(33,192)	(177,153)	348,608	(1,279,327)
Credit impairment losses	(38,055)	-	-	(1,578)	-	(39,633)
Other income	313,354	2,940	8,461	6,833	(244,677)	86,911
Operating profit	2,833,998	477,468	198,903	78,006	(473,222)	3,115,153
Finance income	197,535	32,012	181,101	84,521	(45,558)	449,611
Finance costs	(440,982)	(106,524)	(599,711)	(14,903)	250,954	(911,166)
Finance (costs)/income – net	(243,447)	(74,512)	(418,610)	69,618	205,396	(461,555)
Net movement in regulatory deferral account credit balance	86,233	-	-	-	-	86,233
Profit/(loss) for the period	2,676,784	402,956	(219,707)	147,624	(267,826)	2,739,831
Other comprehensive income/(loss)	-	9,544	(57,666)	-	-	(48,122)
Total comprehensive income/(loss) for the period	2,676,784	412,500	(277,373)	147,624	(267,826)	2,691,709
30 June 2022 (Unaudited)	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Revenue	11,050,883	1,154,257	559,234	497,014	(1,184,443)	12,076,945
Cost of sales	(7,319,966)	(605,924)	(338,571)	(303,916)	751,121	(7,817,256)
Gross profit	3,730,917	548,333	220,663	193,098	(433,322)	4,259,689
Administrative expenses	(1,258,032)	(104,408)	(13,035)	(210,164)	216,096	(1,369,543)
Credit impairment reversal	(10,077)	(7,395)	-	472	-	(17,000)
Other income	541,704	2,708	54,220	23,591	(351,498)	270,725
Operating profit	3,004,512	439,238	261,848	6,997	(568,724)	3,143,871
Finance income	81,600	11,836	200,828	57,571	(59,099)	292,736
Finance costs	(263,467)	(19,360)	(407,663)	(14,392)	212,851	(492,031)
Finance (costs)/income – net	(181,867)	(7,524)	(206,835)	43,179	153,752	(199,295)
Net movement in regulatory deferral account credit balance	356,638	-	-	-	-	356,638
Profit for the period	3,179,283	431,714	55,013	50,176	(414,972)	3,301,214
Other comprehensive income/(loss)	-	(5,876)	3,261,907	-	-	3,256,031
Total comprehensive income for the period	3,179,283	425,838	3,316,920	50,176	(414,972)	6,557,245

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the six-month period ended 30 June 2023 *(unaudited)*

5 Segment reporting *(continued)*

Other segment information

	DEWA	EMPOWER	IPP	Others	Eliminations	Total
30 June 2023 (Unaudited)	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Capital expenditure (property, plant and equipment)	2,220,695	171,617	1,286,016	38,117	-	3,716,445
Depreciation (property, plant and equipment)	2,408,419	172,205	203,738	49,152	(7,509)	2,826,005
	DEWA	EMPOWER	IPP	Others	Eliminations	Total
31 December 2022 (Audited)	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Capital expenditure (property, plant and equipment)	4,849,905	332,887	4,767,497	169,314	-	10,119,603
Depreciation (property, plant and equipment)	4,734,106	311,807	237,337	98,332	(6,843)	5,374,739

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information (continued)
for the six-month period ended 30 June 2023 (unaudited)

6 Property, plant and equipment

	Land and buildings AED'000	Right-of-use assets AED'000	Generation and desalination plants AED'000	Transmission and distribution networks AED'000	Other equipment and assets AED'000	Capital work in progress AED'000	Total AED'000
Year ended 31 December 2022							
Opening net book amount (Audited)	39,088,117	23,856	33,437,273	48,574,168	804,203	27,544,444	149,472,061
Additions	7,842	17,037	107,939	413,280	111,862	9,461,643	10,119,603
Transfer to right of use assets	-	18,316	(7,780)	-	(10,536)	-	-
Reversal of impairment	-	-	-	-	-	12,727	12,727
Reclassification to investment property (refer note 11)	(2,536)	-	-	-	-	(70,323)	(72,859)
Transfers	604,118	-	2,147,084	4,288,607	119,198	(7,159,007)	-
Transfers to intangible assets (refer note 7)	-	-	-	-	(320)	(19,335)	(19,655)
Modification of right-of-use assets	-	(11,558)	-	-	-	-	(11,558)
Disposals, net	-	-	(3,853)	(92,247)	(69)	-	(96,169)
Depreciation	(365,773)	(12,827)	(2,048,742)	(2,620,607)	(326,790)	-	(5,374,739)
Closing net book amount (Audited)	39,331,768	34,824	33,631,921	50,563,201	697,548	29,770,149	154,029,411
At 31 December 2022							
Cost	43,600,056	64,678	55,574,765	78,069,768	3,478,813	29,770,149	210,558,229
Accumulated depreciation	(4,268,288)	(29,854)	(21,942,844)	(27,506,567)	(2,781,265)	-	(56,528,818)
Net book amount (Audited)	39,331,768	34,824	33,631,921	50,563,201	697,548	29,770,149	154,029,411
Period ended 30 June 2023							
Opening net book amount (Audited)	39,331,768	34,824	33,631,921	50,563,201	697,548	29,770,149	154,029,411
Additions	344	2,008	100,647	1,056	72,538	3,539,852	3,716,445
Transfers	142,645	-	10,160,959	948,709	163,847	(11,416,160)	-
Transfers to intangible assets (refer note 7)	-	-	-	-	-	(8,938)	(8,938)
Disposals, net	-	-	-	-	(18)	-	(18)
Depreciation	(176,356)	(6,893)	(1,170,025)	(1,321,352)	(151,379)	-	(2,826,005)
Closing net book amount (Unaudited)	39,298,401	29,939	42,723,502	50,191,614	782,536	21,884,903	154,910,895
At 30 June 2023							
Cost	43,743,045	66,686	65,676,547	79,019,533	3,698,438	21,884,903	214,089,152
Accumulated depreciation	(4,444,644)	(36,747)	(22,953,045)	(28,827,919)	(2,915,902)	-	(59,178,257)
Net book amount (Unaudited)	39,298,401	29,939	42,723,502	50,191,614	782,536	21,884,903	154,910,895

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the six-month period ended 30 June 2023 (unaudited)

6 Property, plant and equipment *(continued)*

- (a) The Group has engaged in a joint operation pertaining to Emirates National Grid Corporation ("ENGEC"). The Group's share in the carrying amount of ENGEC's assets as at 30 June 2023 is AED 105 million (31 December 2022: AED 109 million) and is included under transmission and distribution networks.
- (b) During 2008, by way of a Decree issued by H.H. The Ruler of Dubai, all existing plots of land held by the Authority were transferred to the Authority. As a result, the Authority has capitalised the plots of land on the basis of valuations (i.e., valuation based on use limitations) obtained from the Land Department of the Government of Dubai, which is considered the deemed cost and has been treated as a capital contribution by the Government of Dubai.

On initial recognition:

- The valuation of land is done based on the valuation certificate issued by Dubai Land Department and such valuation is considered for the lands issued in the same area/zone in future.
- The valuation of land so adopted (original value) will not be changed even if the area/zone is changed by the Dubai Land Department subsequently.

As per communication from Department of Finance, Government of Dubai, effective 10 March 2022, the new land policy in respect of allotment and granting of lands in the Emirate of Dubai by the Dubai Land Department to the Authority will be in consideration for a rental value of AED 1 per plot per annum for 30 years. This policy shall apply to all future lands that will be allotted to the Authority, but not on the existing lands that are currently being governed under the existing regime. The Department of Finance, Government of Dubai and the Authority shall coordinate to take all actions and procedures to procure the issuance of a decree that shall formalize the proposed policy for all future lands.

- (c) Capital work in progress mainly comprises construction of additional electricity generation, water desalination facilities, transmission and distribution networks and district cooling facilities.
- (d) The interest rate used for capitalizing the borrowing cost is LIBOR plus applicable Margin. The interest on borrowings capitalised using this interest rate is AED 295 million (31 December 2022: AED 1,164 million) (refer note 30).
- (e) Right-of-use assets mainly represents vehicles and other equipment as of the reporting date.
- (f) During the current period, the Group did not receive any land from the Land Department of the Government of Dubai (31 December 2022: AED 65 million (net)).
- (g) The carrying value of property, plant and equipment, pledged as collateral on borrowings, amounts to AED 30,854 million (31 December 2022: AED 27,886 million) (refer note 19).

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the six-month period ended 30 June 2023 (unaudited)

6 Property, plant and equipment *(continued)*

(h) Depreciation is allocated as detailed below:

	For the six-month period ended 30 June	
	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited)
Cost of sales		
- Generation desalination and other direct expenditure (refer note 27.1)	1,230,342	1,102,976
- Transmission and distribution expenditure (refer note 27.2)	1,457,140	1,387,409
Administrative expenses (refer note 28)	138,523	143,136
	<u>2,826,005</u>	<u>2,633,521</u>

7 Intangible assets

	Computer software AED'000	Others AED'000	Total AED'000
Period ended 30 June 2023			
Opening net book amount (Audited)	118,984	352,139	471,123
Additions	11,124	-	11,124
Transfer from property, plant and equipment (refer note 6)	8,938	-	8,938
Amortisation (refer notes 27.1 and 28)	(31,952)	(6,078)	(38,030)
Closing net book amount (Unaudited)	<u>107,094</u>	<u>346,061</u>	<u>453,155</u>
At 30 June 2023			
Cost	571,435	364,696	936,131
Accumulated amortisation	(464,341)	(18,635)	(482,976)
Net book amount (Unaudited)	<u>107,094</u>	<u>346,061</u>	<u>453,155</u>
	Computer software AED'000	Others AED'000	Total AED'000
Year ended 31 December 2022			
Opening net book amount (Audited)	165,281	364,296	529,577
Additions	8,627	-	8,627
Transfer from property, plant and equipment (refer note 6)	19,655	-	19,655
Amortisation	(74,579)	(12,157)	(86,736)
Closing net book amount (Audited)	<u>118,984</u>	<u>352,139</u>	<u>471,123</u>
At 31 December 2022			
Cost	551,373	364,696	916,069
Accumulated amortisation	(432,389)	(12,557)	(444,946)
Net book amount (Audited)	<u>118,984</u>	<u>352,139</u>	<u>471,123</u>

During the current period, amortisation expense of AED 38 million *(for the six-month period ended 30 June 2022: AED 40 million)* is included in cost of sales and administrative expenses (refer notes 27.1 and 28).

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the six-month period ended 30 June 2023 (unaudited)

8 Investments accounted for using the equity method

The following table outlines the Group's investments in joint ventures. All joint ventures are accounted for under the equity method of accounting and are immaterial to the Group individually.

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Investment in joint ventures	640	640

The Group has either directly or indirectly the following joint ventures. The entities listed below have share capital solely consisting of ordinary shares, which are held directly by the Group.

Name of the entity	Country of incorporation	Effective % of holding		Carrying value	
		2023	2022	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Utility Management LLC	UAE	50	50	490	490
Etihad Smart Energy Solutions LLC	UAE	50	50	150	150
				640	640

9 Derivative financial instruments

The Group is exposed to interest rate movements on various borrowings maturing between 2017 and 2042. Some of the Group's subsidiaries have entered into a series of interest rate swaps for the duration of the borrowings to mitigate the risk of variation in future interest rates. These interest rate swaps were designated as cash flow hedges and were assessed to be highly effective for majority contracts. Net unrealised gain of AED 201 million *(for the six-month period ended 30 June 2022: AED 3,093 million)* relating to these hedging instruments is included in other comprehensive income.

The tables below show a summary of the hedged items, the hedging instruments and their fair values. The notional amounts indicate the amount outstanding at the period end.

Description of the hedged item	Hedging instrument	Notional amount AED'000	Positive fair value AED'000	Negative fair value AED'000
30 June 2023 (Unaudited):				
Interest payments on floating rate loans	Interest rate swap	21,579,759	1,734,458	4,747
31 December 2022 (Audited):				
Interest payments on floating rate loans	Interest rate swap	31,125,023	1,786,908	4,578

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the six-month period ended 30 June 2023 (unaudited)

9 Derivative financial instruments *(continued)*

The following table presents the Group's derivative assets and liabilities that are measured at fair value:

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
30 June 2023 (Unaudited)				
Assets measured at fair value				
Derivative financial instruments (current portion)	-	609,246	-	609,246
Derivative financial instruments (non-current portion)	-	1,125,212	-	1,125,212
Liabilities measured at fair value				
Derivative financial instruments (current portion)	-	-	-	-
Derivative financial instruments (non-current portion)	-	4,747	-	4,747
31 December 2022 (Audited)				
Assets measured at fair value				
Derivative financial instruments (current portion)	-	492,106	-	492,106
Derivative financial instruments (non-current portion)	-	1,294,802	-	1,294,802
Liabilities measured at fair value				
Derivative financial instruments (current portion)	-	-	-	-
Derivative financial instruments (non-current portion)	-	4,578	-	4,578

Interest rate swaps were measured primarily using valuations provided by the financial institutions based on the observable spot exchange rates and the yield curves of the respective swap contracts and were categorised in Level 2 hierarchy.

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the six-month period ended 30 June 2023 (unaudited)

10 Financial assets at fair value through other comprehensive income (FVOCI)

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
At the beginning of the period/year	52,911	58,113
Fair value adjustment during the period/year	986	(5,202)
At the end of the period/year	<u>53,897</u>	<u>52,911</u>

Financial assets at fair value through other comprehensive income pertains to an investment in Tier 1 Capital Certificates ("the Bonds") issued at their par value. The Bonds are listed perpetual instruments and carry non-cumulative interest at a rate of 6% per annum payable every six months at the discretion of the issuer. The Group has classified them as financial assets at fair value through other comprehensive income under IFRS 9 as the Bonds are not held for trading.

During the current period, gain recognised in other comprehensive income amounted to AED 0.9 million (30 June 2022: loss of AED 3.9 million).

11 Investment property

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Property under development	<u>80,431</u>	<u>72,859</u>

The movement in property under development is as follows:

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
At the beginning of the period/year	72,859	-
Addition during the period/year	7,572	-
Reclassification from property, plant and equipment (refer note 6)	-	72,859
At the end of the period/year	<u>80,431</u>	<u>72,859</u>

The Group's subsidiary started construction of its head quarter project in 2021. The project consists of two towers with common area and retail outlets which are expected to be completed during the third quarter of 2023.

During the previous year, management revisited its plan of occupation and concluded to occupy only one tower for its use along with its related common area. As a result, the carrying amount of one tower and related areas were transferred to investment property from property, plant and equipment (refer note 6).

The fair value of investment property approximates to the carrying value.

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the six-month period ended 30 June 2023 *(unaudited)*

12 Other assets

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Advance to suppliers	1,157,209	1,222,498
Prepayments	117,949	44,244
	1,275,158	1,266,742
Less: non-current portion	(1,145,880)	(1,134,897)
Current portion	129,278	131,845

13 Other financial assets

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
UAE National Bonds and Sukuk Bonds	868,330	1,041,138
Other receivables	4,265,991	3,598,489
Less: provision for impairment on other receivables	(47,913)	(47,913)
	5,086,408	4,591,714
Less: non-current portion	(1,743,452)	(1,457,956)
Current portion	3,342,956	3,133,758

Other financial assets include investment in UAE National Bonds and Sukuk Bonds amounting to AED 868 million (31 December 2022: AED 1,041 million), which have a maturity of 12 months from the date of purchase. UAE National Bonds carry an interest rate ranging from 3% to 5.25% per annum (31 December 2022: 3% to 5.25% per annum).

Other receivables mainly include investment in debt instruments, housing and sewerage fee receivable on behalf of a related party and interest receivable on bank deposits. As at 30 June 2023, other receivables amounting to AED 4,218 million (31 December 2022: AED 3,550 million) are not impaired except for an amount of AED 48 million (31 December 2022: AED 48 million). The carrying amount of the Group's other receivables approximates its fair value.

14 Inventories

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Consumables and repair spares	651,536	657,301
Less: provision for slow moving and obsolete inventory	(226,921)	(220,021)
	424,615	437,280
Fuel	998,528	1,007,936
	1,423,143	1,445,216

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the six-month period ended 30 June 2023 (unaudited)

14 Inventories *(continued)*

14.1 Movement in provision for slow moving and obsolete inventory

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
At the beginning of the period/year	220,021	205,653
Charge for the period/year	6,900	14,368
At the end of the period/year	<u>226,921</u>	<u>220,021</u>

15 Trade receivables

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Trade receivables	3,867,948	3,699,427
Accrued revenue	1,560,682	1,040,500
Less: provision for impairment of receivables	(606,706)	(567,073)
Trade receivables and accrued revenue – net	<u>4,821,924</u>	<u>4,172,854</u>

Movements in the provision for impairment of trade receivables are as follows:

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
At the beginning of the period/year	567,073	422,544
Charge for the period/year (refer note 29)	39,633	144,529
At the end of the period/year	<u>606,706</u>	<u>567,073</u>

The carrying amount of the Group's trade receivables is primarily denominated in AED and approximates its fair value. Charge of credit impairment on trade receivables is mainly due to changes in gross receivables balance. There has been no changes to ECL model assumptions.

16 Short-term deposits

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Term deposits with banks	<u>4,056,836</u>	<u>7,532,503</u>

Term deposits carry an interest ranging from 1.5% to 5.63% per annum (31 December 2022: AED 1.5% to 4.7% per annum).

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the six-month period ended 30 June 2023 *(unaudited)*

16 Short-term deposits *(continued)*

Term deposits up to AED 2.3 billion *(31 December 2021: AED 1.9 billion)* have been kept as lien against borrowings by one of the subsidiaries.

17 Cash and cash equivalents

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Current and call accounts and short-term deposits	4,927,827	5,286,848
Cash on hand	1,306	567
	<u>4,929,133</u>	<u>5,287,415</u>

Cash and cash equivalents include AED 1,060 *(31 December 2022: AED 1,660 million)* in foreign currencies. The majority of these balances are denominated in US Dollar. These balances are held for settlement of existing and anticipated liabilities denominated in foreign currencies.

Cash and cash equivalents also include AED 2,344 million *(31 December 2022: AED 801 million)* of cash collected by local banks and government collection agencies on behalf of the Group.

17.1 Cash and cash equivalents for the purpose of cash flows

For the purpose of the condensed consolidated interim statement of cash flows, cash and cash equivalents comprise the following:

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Cash and cash equivalents	4,929,133	5,287,415
Bank overdrafts (refer note 19)	(608,435)	(565,119)
Cash and cash equivalents for the purpose of cash flows	<u>4,320,698</u>	<u>4,722,296</u>

18 Equity

(a) Share capital

In the previous year, an amount of AED 500 million had been transferred to share capital account from Government of Dubai account. The Board of Directors of the Authority had authorised the breakup of the share capital into 50 billion shares of AED 0.01 each. All shares of the Authority shall rank equally with one another in all aspects. Hence, the share capital of Authority consists of authorised and paid-up capital of AED 500 million as of 30 June 2023.

(b) Capital contribution

This account represents amounts contributed by the Government of Dubai (both in kind and cash) as an Owner of the Group since the incorporation of the Group.

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the six-month period ended 30 June 2023 (unaudited)

18 Equity *(continued)*

(c) Statutory reserve

As required by applicable law and Articles of Association of the Authority and certain subsidiaries, 5% of the net profit for each period has been transferred to a statutory reserve. Such transfers to reserves may cease when the statutory reserve equals to half of the share capitals. The reserve is not available for distribution except as stipulated by the law. The statutory reserve of the Authority has already reached the 50% threshold and hence no further transfers were made to statutory reserves. On 10 October 2022, the suspension of transfer to statutory reserve was approved by the General Assembly.

(d) Hedging reserve

The hedging reserve primarily represents the fair value of derivatives which are part of effective cash flow hedging relationships at period/year end. As the derivatives are held for hedging purposes as defined by IFRS 9, their fair value movements are retained in other comprehensive income instead of being charged to profit or loss during the period. The fair value movements will be adjusted in other comprehensive income in the same period as the corresponding hedged transaction.

(e) General reserve

In the prior years, the general reserve represented surplus distributable profits earned by the Group. In the year 2022, the balance in general reserve had been transferred to retained earnings.

19 Borrowings

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Non-current		
Others (i)	29,549,616	29,042,475
Term loan (ii)	-	8,275,500
	<u>29,549,616</u>	<u>37,317,975</u>
Current		
Bank overdrafts (refer note 17)	608,435	565,119
Others (i)	3,156,805	2,806,735
Term loan (ii)	6,886,701	-
	<u>10,651,941</u>	<u>3,371,854</u>
	<u>40,201,557</u>	<u>40,689,829</u>

Borrowings are denominated in the following currencies:

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
US Dollars	26,047,800	25,432,234
UAE Dirham	14,153,757	15,257,595
	<u>40,201,557</u>	<u>40,689,829</u>

The borrowing balance is net of deferred borrowing cost amounting to AED 691 million (31 December 2022: AED 722 million).

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the six-month period ended 30 June 2023 (unaudited)

19 Borrowings *(continued)*

The Group has secured borrowings amounting to AED 28,215 million (31 December 2022: AED 27,360 million) and unsecured borrowings amounting to AED 11,987 million (31 December 2022: AED 13,330 million).

Borrowings are secured by pledge of assets (refer note 6), corporate guarantees, government guarantees and letter of undertakings.

(i) Others

Other loan represents loans taken by subsidiary companies from various commercial banks and shareholders.

The fair values of other loans are not materially different to their carrying amounts since the interest payable on these borrowings is close to current market rates.

(ii) Term loan

During the previous year, the Authority had obtained a long-term Shariah compliant loan of AED 10,000 million from Emirates NBD PJSC. The loan carried profit rate at 1-month EIBOR + margin. The term of the loan is five years and repayable in full upon its maturity.

During the current period, the Company renegotiated the loan terms with the bank and has amended the original loan agreement, whereby, the repayment term and commercial rate on loan have been revised. The revision in repayment terms has resulted in the loan being reclassified from non-current liabilities to current liabilities and in return the Company has negotiated better profit rate. Further, during the current period, the Company has prepaid AED 1,400 million (31 December 2022: AED 1,700 million) of the loan.

As of the reporting period 30 June 2023, the Group was compliant with financial covenant.

The Group takes proactive measures to ensure, as far as possible, that it will always have sufficient liquidity to meet its financial obligations. The Group has positive operating cash flows amounting to AED 5,434 million for the period ended 30 June 2023, cash and cash equivalents of AED 4,929 million and undrawn facilities of AED 2,500 million as at 30 June 2023 to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group monitors the sufficiency of funds using cash flow budgeting in which it considers the cash outflows (including impact of capital commitments), the funds that would be generated from the operations and other available sources of funding.

20 Retirement benefit obligations

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Provision for employees' end of service benefits (refer note 20.1)	959,085	948,333
Provision for pensions (refer note 20.2)	70,808	74,088
	<u>1,029,893</u>	<u>1,022,421</u>
Less: non-current portion	(1,018,824)	(1,010,493)
Current portion (refer note 23)	<u>11,069</u>	<u>11,928</u>

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the six-month period ended 30 June 2023 *(unaudited)*

20 Retirement benefit obligations *(continued)*

20.1 Provision for employees' end of service benefits

Movements in the provision for the employees' end of service benefits are analysed below:

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
At the beginning of the period/year	948,333	937,561
Charge for the period/year (refer note 31)	43,638	132,870
Re-measurements	(8,558)	(70,468)
Payments made during the period/year	(24,328)	(51,630)
At the end of the period/year	<u>959,085</u>	<u>948,333</u>

20.2 Provision for pensions

20.2.1 Provision for pensions (for eligible UAE National employees who retired before 1 January 2003)

The movements in the provision for pensions are analysed below:

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
At the beginning of the period/year	62,160	71,343
Reversal during the period/year	-	(4,270)
Payments made during the period/year	(2,421)	(4,913)
At the end of the period/year	<u>59,739</u>	<u>62,160</u>

20.2.2 Provision for pensions (for eligible UAE National employees from 1 January 2003)

Effective 1 January 2003, the Group joined a defined contribution plan operated by the Federal Pension General and Social Security Group for its active eligible UAE National employees in accordance with the provision of Federal Law No. 7 of 1999 relating to Pension and Social Security Law. The movements in the provision for pensions are analysed below:

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
At the beginning of the period/year	11,928	11,674
Charge for the period/year (refer note 31)	62,458	118,122
Payments made during the period/year	(63,317)	(117,868)
At the end of the period/year	<u>11,069</u>	<u>11,928</u>

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the six-month period ended 30 June 2023 *(unaudited)*

20 Retirement benefit obligations *(continued)*

20.2 Provision for pensions *(continued)*

20.2.2 Provision for pensions (for eligible UAE National employees from 1 January 2003) *(continued)*

Total provision for pension has been presented as follow:

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
At the beginning of the period/year	74,088	83,017
Charge for the period/year (refer note 31)	62,458	118,122
Reversal during the period/year	-	(4,270)
Payments made during the period/year	(65,738)	(122,781)
At the end of the period/year	<u>70,808</u>	<u>74,088</u>

21 Lease liabilities

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
At the beginning of the period/year	36,412	14,952
Addition during the period/year	2,009	46,930
Modification	-	(13,019)
Payments made during the period/year	(6,943)	(12,451)
At the end of the period/year	<u>31,478</u>	<u>36,412</u>
Less: non-current portion	<u>(18,898)</u>	<u>(23,528)</u>
Current portion	<u>12,580</u>	<u>12,884</u>

22 Other long-term liabilities

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Deferred revenue	25,368,211	24,940,693
Advance for new connections	6,420,529	6,873,698
Retentions payable	871,896	806,220
Asset retirement obligations	258,835	181,917
	<u>32,919,471</u>	<u>32,802,528</u>

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the six-month period ended 30 June 2023 (unaudited)

23 Trade and other payables

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Consumers' security deposits	4,460,875	4,231,833
Trade payables	2,231,457	1,214,643
Capital projects payables	1,964,056	2,009,818
Deferred revenue	1,407,371	1,374,793
Retentions payable	1,176,009	1,349,502
Advances for new connections	337,923	361,774
Accrual for staff benefits	244,165	278,592
Retirement benefit obligations (refer note 20)	11,069	11,928
Other payables	2,506,825	2,857,760
	<u>14,339,750</u>	<u>13,690,643</u>

24 Regulatory deferral account

The prices that can be charged to customers for electricity and water by the Group are subject to oversight and/or approval by the Dubai Supreme Council of Energy. Hence, the Group is subject to rate regulation. The Dubai Supreme Council of Energy through its notification issued in 2010 had allowed the Group to recover the additional costs it incurs due to the escalation in fuel prices considering 2010 as the base year from its customers.

The Dubai Supreme Council of Energy is also controlled by the Government of Dubai, and it is a related party of the Group.

On the transition date, the Group had elected to apply the requirements of IFRS 14 Regulatory Deferral Accounts and will continue to apply its current accounting policy for recognition, measurement and derecognition of this regulatory deferral account balance.

The movement in regulatory deferral account credit balance has been detailed below:

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
At the beginning of the period/year	95,343	379,024
Short collection during the period/year	(86,233)	(283,681)
At the end of the period/year	<u>9,110</u>	<u>95,343</u>

25 Related party transactions and balances

The Group transacts with the Government of Dubai, subsidiaries, joint ventures and entities controlled, jointly controlled or significantly influenced by the Government of Dubai within the scope of its ordinary business activities. Since the Group is majority owned by the Government of Dubai post its listing of shares on Dubai Financial Market (DFM), these entities are jointly referred to as 'government related entities'.

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the six-month period ended 30 June 2023 (unaudited)

25 Related party transactions and balances *(continued)*

The Group applies the exemption relating to government related entities under IAS 24 'Related Parties' and only discloses transactions and balances with government related entities which are individually or collectively significant. To determine significance, the Group considers various qualitative and quantitative factors including whether transactions with related parties are based on approved terms and conditions by management.

Key management personnel and entities controlled by them are also related to the Group. Key management personnel of the Group comprise the directors and executive vice presidents (EVPs) of the Authority and employees of the Authority who are acting as directors of the subsidiaries.

Related party transactions

The material transactions and balances with related parties are disclosed below, except as disclosed in notes 6, 13, 15, 19, 21, 24, 26, 27, 28, 30, 31 and 34 in this condensed consolidated interim financial information.

Sale of electricity and water and other revenues

As is common with many other entities, the Group deals with various government entities in Dubai. Quantities of electricity and water sold to UAE nationals are at subsidised rates. The Group calculates the value of these quantities supplied at approved rates and these amounts are settled by the Department of Finance (DoF), Government of Dubai.

During the current period, the Group has collected AED 51 million *(for the six-month period ended 30 June 2022: AED 40 million)* in respect of handling charges (refer note 26).

Purchase of goods and services

The Group purchases fuel from entities owned by the Government of Dubai. During the current period, the Group purchased fuel amounting to AED 3,298 million *(for the six-month period ended 30 June 2022: AED 3,354 million)* from various entities.

During the current period, the Group purchased water amounting to AED 4 million *(for the six-month period ended 30 June 2022: AED 5 million)* from a related party of the Group.

Transactions with banks owned by Government of Dubai

The Group transacts with various banks and financial institutions which are wholly or partially controlled by the Government of Dubai. All of the Group's transactions with such banks are on approved commercial terms. A portion of the cash and cash equivalents as disclosed in note 17 was included in deposit held with such banks.

	For the six-month period ended 30 June		For the three-month period ended 30 June	
	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited)	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited)
Compensation to key management personnel				
Salaries and short-term benefits	82,218	62,926	12,157	15,526
Post-employment benefits and long term benefits	1,115	1,794	630	779
	<u>83,333</u>	<u>64,720</u>	<u>12,787</u>	<u>16,305</u>

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the six-month period ended 30 June 2023 (unaudited)

25 Related party transactions and balances *(continued)*

Related party transactions *(continued)*

	For the six-month period ended 30 June		For the three-month period ended 30 June	
	2023	2022	2023	2022
	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Key management remuneration				
Board of directors' remuneration	<u>19,750</u>	<u>19,750</u>	<u>9,875</u>	<u>9,875</u>

Board members' interests

Other than remuneration paid to key management personnel, the Board members of the Authority had no beneficial interest in DEWA or its subsidiaries during period ended 30 June 2023 and 2022.

26 Revenue

	For the six-month period ended 30 June		For the three-month period ended 30 June	
	2023	2022	2023	2022
	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sale of electricity	7,899,911	7,471,021	4,720,478	4,505,532
Sale of water	2,609,684	2,515,124	1,338,912	1,326,955
District cooling charges	1,209,065	1,153,098	721,736	687,211
Others	1,010,769	937,702	512,489	489,446
	<u>12,729,429</u>	<u>12,076,945</u>	<u>7,293,615</u>	<u>7,009,144</u>

The Group's operations and main revenue streams are those described in the annual consolidated financial statements for the year ended 31 December 2022. The Group's revenue is derived from contracts with customers, except for handling fees and amortisation of deferred revenue presented under 'Others'.

Others include:

- Handling fees amounting to AED 51 million *(for the six-month period ended 30 June 2022: AED 40 million)* represents amounts paid by a related party to the Group for providing collection services (refer note 25).
- Amortisation of deferred revenue amounted to AED 533 million *(for the six-month period ended 30 June 2022: AED 498 million)*.

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information (continued)
for the six-month period ended 30 June 2023 (unaudited)

26 Revenue (continued)

26.1 Disaggregation of revenue

For the six-month period ended 30 June

Timing of revenue recognition	Electricity		Water		District cooling charges		Others		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Products and services transferred										
-at a point in time	7,899,911	7,471,021	2,609,684	2,515,124	1,209,065	1,153,098	478,244	439,769	12,196,904	11,579,012
-over time	-	-	-	-	-	-	532,525	497,933	532,525	497,933
	7,899,911	7,471,021	2,609,684	2,515,124	1,209,065	1,153,098	1,010,769	937,702	12,729,429	12,076,945

For the three-month period ended 30 June

Timing of revenue recognition	Electricity		Water		District cooling charges		Others		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Products and services transferred										
-at a point in time	4,720,478	4,505,532	1,338,912	1,326,955	721,736	687,211	242,356	235,309	7,023,482	6,755,007
-over time	-	-	-	-	-	-	270,133	254,137	270,133	254,137
	4,720,478	4,505,532	1,338,912	1,326,955	721,736	687,211	512,489	489,446	7,293,615	7,009,144

27 Cost of sales

	For the six-month period ended 30 June		For the three-month period ended 30 June	
	2023	2022	2023	2022
	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Generation desalination and other direct expenditure (refer note 27.1)	5,734,548	5,222,625	3,079,062	2,736,389
Transmission and distribution expenditure (refer note 27.2)	2,387,523	2,261,080	1,194,054	1,145,349
Purchase of gas, power and water	260,156	333,551	209,006	312,497
	8,382,227	7,817,256	4,482,122	4,194,235

27.1 Generation desalination and other direct expenditure

	For the six-month period ended 30 June		For the three-month period ended 30 June	
	2023	2022	2023	2022
	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Fuel costs	3,091,131	3,075,054	1,712,239	1,669,646
Depreciation (refer note 6)	1,230,342	1,102,976	646,784	550,125
Employee benefit expenses (refer note 31)	325,460	271,852	155,926	133,653
Repairs and maintenance	247,490	231,361	142,851	112,422
Amortisation (refer note 7)	6,078	6,078	3,039	3,039
Others	834,047	535,304	418,223	267,504
	5,734,548	5,222,625	3,079,062	2,736,389

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Notes to the condensed consolidated interim financial information *(continued)*
for the six-month period ended 30 June 2023 (unaudited)

27 Cost of sales *(continued)*

27.2 Transmission and distribution expenditure

	For the six-month period ended 30 June		For the three-month period ended 30 June	
	2023	2022	2023	2022
	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Depreciation (refer note 6)	1,457,140	1,387,409	731,095	712,288
Employee benefit expenses (refer note 31)	789,446	712,874	378,940	358,213
Repairs and maintenance	107,833	127,573	68,578	59,791
Others	33,104	33,224	15,441	15,057
	<u>2,387,523</u>	<u>2,261,080</u>	<u>1,194,054</u>	<u>1,145,349</u>

28 Administrative expenses

	For the six-month period ended 30 June		For the three-month period ended 30 June	
	2023	2022	2023	2022
	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Employee benefit expenses (refer note 31)	823,896	775,900	394,801	391,587
Repairs and maintenance	125,916	157,901	53,125	69,473
Depreciation (refer note 6)	138,523	143,136	68,517	69,147
Amortisation (refer note 7)	31,952	33,994	17,622	17,090
Insurance	50,697	43,921	27,070	24,095
Others	108,343	214,691	31,141	95,328
	<u>1,279,327</u>	<u>1,369,543</u>	<u>592,276</u>	<u>666,720</u>

29 Credit impairment losses

	For the six-month period ended 30 June		For the three-month period ended 30 June	
	2023	2022	2023	2022
	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Impairment of trade receivables (refer note 15)	<u>39,633</u>	<u>17,000</u>	<u>38,156</u>	<u>20,057</u>

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

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for the six-month period ended 30 June 2023 *(unaudited)*

30 Finance (costs)/income – net

	For the six-month period ended 30 June		For the three-month period ended 30 June	
	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited)	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited)
<i>Finance income</i>				
Interest income on short term bank deposits	236,410	82,657	112,615	46,480
Cash flow hedges – reclassified to profit or loss	175,931	-	116,764	-
Interest income on financial assets	11,109	9,251	5,768	4,676
Cash flow hedges – ineffective portion of changes in fair value of derivative financial instruments	5,169	200,828	5,169	200,828
Amortization of financial liabilities	20,992	-	6,992	-
	<u>449,611</u>	<u>292,736</u>	<u>247,308</u>	<u>251,984</u>
<i>Finance costs</i>				
Interest on bank and other borrowings	(1,191,229)	(679,622)	(619,502)	(328,020)
Cash flow hedges – reclassified to profit or loss	-	(168,412)	-	(67,297)
Amortization of arrangement fees	(14,263)	-	(5,564)	-
Cash flow hedges – ineffective portion of changes in fair value of derivative financial instruments	(121)	(194,140)	-	-
Interest on lease liabilities	(70)	(291)	(31)	(144)
	<u>(1,205,683)</u>	<u>(1,042,465)</u>	<u>(625,097)</u>	<u>(395,461)</u>
Amounts capitalised (refer note 6)	294,517	550,434	110,199	284,979
	<u>(911,166)</u>	<u>(492,031)</u>	<u>(514,898)</u>	<u>(110,482)</u>
Finance (costs)/income – net	<u>(461,555)</u>	<u>(199,295)</u>	<u>(267,590)</u>	<u>141,502</u>

31 Employee benefit expenses

	For the six-month period ended 30 June		For the three-month period ended 30 June	
	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited)	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited)
Salaries	1,313,750	1,224,357	656,809	605,244
Bonus	216,526	112,018	67,994	55,746
Retirement benefit obligations (refer note 20)	106,096	101,986	52,411	51,434
Other benefits	302,430	322,265	152,453	171,029
	<u>1,938,802</u>	<u>1,760,626</u>	<u>929,667</u>	<u>883,453</u>

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the six-month period ended 30 June 2023 (unaudited)

32 Cash generated from operating activities

	Notes	For the six-month period ended 30 June	
		2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited)
Operating activities			
Profit for the period		2,739,831	3,301,214
<i>Adjustments for:</i>			
Depreciation	6	2,826,005	2,633,521
Amortisation	7	38,030	40,072
Provision for slow moving and obsolete inventory	14	6,900	9,200
Fair value adjustments		32,635	2,993
Charge for impairment of trade receivables	29	39,633	17,000
Deferred income		(532,525)	(497,933)
Retirement benefit obligations – gratuity	20.1	43,638	44,740
Retirement benefit obligations – pensions	20.2	62,458	57,246
Ineffective portion of gain on derivative financial instruments (net)	30	(5,048)	(6,688)
Gain on sale of property, plant and equipment		(429)	(45)
Finance income	30	(444,442)	(91,908)
Finance costs	30	911,045	297,891
<i>Operating cash flows before changes in operating assets and liabilities</i>		5,717,731	5,807,303
<i>Changes in operating assets and liabilities:</i>			
Inventories		15,173	7,486
Trade receivables		(688,703)	(2,602,493)
Other financial assets	13	(599,125)	86,793
Other assets	12	(8,417)	(19,488)
Trade and other payables		1,174,077	1,759,960
Movement in regulatory deferral account credit balance	24	(86,233)	(356,638)
<i>Net operating cash flows</i>		5,524,503	4,682,923
Payment for retirement benefit obligations – gratuity	20.1	(24,328)	(26,229)
Payment for retirement benefit obligations – pensions	20.2	(65,738)	(59,586)
Net cash generated from operating activities		5,434,437	4,597,108

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

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for the six-month period ended 30 June 2023 (unaudited)

33 Commitments

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Future commitments including capital expenditures	<u>9,805,762</u>	<u>11,106,413</u>

34 Dividend

The Group declared and paid a dividend amounting to AED 3,100 million during the period ended 30 June 2023 (30 June 2022: AED 10,000 million) and also paid a special onetime dividend of AED 1,670 million (30 June 2022: Nil).

During the current period, EMPOWER declared a dividend of AED 425 million (30 June 2022: AED 500 million). An amount of AED 187 million (30 June 2022: AED 150 million) was paid to the non-controlling interest as dividend.

In addition to above, Shuaa Energy 1 P.S.C declared a dividend of AED 4.2 million (30 June 2022: AED 5.2 million). An amount of AED 2 million (30 June 2022: AED 2.5 million) was paid to the non-controlling interest as dividend.

35 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit or loss for the period attributable to the Owners of the Company by the weighted average number of ordinary shares outstanding during the period.

	For the six-month period ended 30 June		For the three-month period ended 30 June	
	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited)	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited)
Earnings				
Profit for the period, attributable to the Owners of the Company	<u>2,674,014</u>	<u>3,148,936</u>	<u>1,930,254</u>	<u>2,414,426</u>
	For the six-month period ended 30 June		For the three-month period ended 30 June	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Number of shares in thousand				
Number of ordinary shares for basic earnings per share	<u>50,000,000</u>	<u>50,000,000</u>	<u>50,000,000</u>	<u>50,000,000</u>
	For the six-month period ended 30 June		For the three-month period ended 30 June	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Earnings per share				
Basic earnings per share (AED)	<u>0.053</u>	<u>0.063</u>	<u>0.039</u>	<u>0.048</u>

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the six-month period ended 30 June 2023 *(unaudited)*

36 Comparative figures

The previous period/year figures have been regrouped wherever necessary, in order to conform to the current period presentation. The regrouping does not affect the previously reported net assets, total equity and the profit or loss and other comprehensive income.

37 UAE Corporate Tax Law

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal Corporate Tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023.

The Cabinet of Ministers Decision No. 116/2022 effective from January 2023, has confirmed the threshold of income over which the 9% tax rate would apply, and the Law is considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000.

The Group will be subject to taxation commencing 1 January 2024. Based on the above, the Group assessed the deferred tax implication and concluded it is not expected to be significant as of and for the six-month period ended 30 June 2023. As certain other Cabinet Decisions are pending as on the date of these condensed consolidated interim financial information, the Group will continue to assess the impact of these pending Cabinet Decisions on deferred taxes as and when finalised and published.

38 Subsequent events

Dividend

The General Assembly in their meeting of 10 April 2023, resolved to authorise, approve and delegate the Board of Directors to pay a cash dividend of AED 3,100 million for the first half of 2023 in October 2023. The Board of Directors in their meeting of 10 August 2023 approved the cash dividend of AED 3,100 million.

Dubai Airport - District Cooling Asset Acquisition

On 22 May 2023, EMPOWER entered into a Shareholders Agreement with Dubai Aviation City Corporation (DACC) for acquisition of 85% stake in DXB COOLCO FZCO (DXB Cool) against a consideration of AED 892 million. EMPOWER also entered into a Master Service Agreement with DXB Cool for provision of services and entered into a Master Concession Agreement with DACC which grants DXB Cool the sole and exclusive rights to operate, maintain and perform the district cooling services within Dubai International Airport for a term of 35 years from the commencement date.

Subsequent to 30 June 2023, all the preconditions of the above agreements were satisfied and the rights and obligations were transferred with effect from 5 July 2023 (commencement date).