

Press Release

2023 Financial Results Announced

Empower records the highest-ever revenue, reaching AED 3.035 billion with a growth rate of 8.7% and AED 960 million in net profits.

- ❖ 8.7% growth in revenues and an impressive annual EBITDA of AED 1.46 billion (up by 6.2%).
- ❖ 1522 buildings are served by Empower with its district cooling services
- ❖ District cooling transmission and distribution network reached 398 km in 2023

Ahmed bin Shafar:

- ❖ Empower turned the challenges of 2023 into opportunities for further growth and prosperity.
- ❖ Empower's readiness has enabled it to effectively navigate the rapid developments in the real estate sector.

Dubai, UAE February 12 2024: Emirates Central Cooling Systems Corporation PJSC (DFM: EMPOWER) (ISIN: AEE01134E227), the world's largest district cooling services provider, announced its financial results for the fiscal year 2023, with a record revenue of AED 3.035 billion, marking a significant growth of 8.7 % compared to 2022. The company has recorded a net profit of AED 960 million for the reporting year. In a press statement, Empower has also proposed a final dividend of AED 425 million for 2023, to be paid by April 2024 to its shareholders.

For the year 2023, Empower's revenue and EBITDA grew by 8.7% and 6.2% respectively. The pro forma Net Profit grew by 6.1% to AED 1,083 million. This pro forma Net Profit comparison adjusts for pre IPO leverage to show comparable performance. On an absolute basis, Empower reported a net profit of AED 960 million for the year 2023.

Empower has also excelled in its operational performance; the number of buildings catered by Empower's district cooling services reached 1522 buildings by the end of 2023 with an increase of 4% compared to 2022, while the total length of the district cooling pipeline network exceeded 398 kilometers with an increase of 4.7% compared to 2022.

Dividends

Empower paid a cash dividend of AED 850 million during the year 2023 in 2 equal installments of AED 425 million each in April and October. The distribution marks the fulfillment of Empower's commitment to pay dividends to its shareholders twice a year, with a cumulative value of AED 850 million per annum during the first two fiscal years following its listing on the Dubai Financial Market. After the committed dividend distributions for the first two fiscal years following the IPO, the company expects to pay a sustainable dividend in line with the growth of the business.

Proactive Readiness

His Excellency Ahmad bin Shafar, CEO of Empower, said, "Empower's exceptional financial performance reflects the unwavering confidence of its shareholders and consumers, solidifying its position as a trusted leader".

He pointed out that the company demonstrated impressive adaptability and learning agility in 2023, effectively navigating challenges and converting them into opportunities for future growth and prosperity.

Bin Shafar clarified that Empower's strategy of proactive readiness in delivering district cooling services enabled it to handle the rapid developments in the real estate sector, which witnessed the completion of various projects and the launch of a wide range of multi-use projects. "Our professional teams, combined with these resources and our commitment to investing in advanced technologies and modern cooling plants across Dubai, together represent solid foundations for a unique business model that enables sustained revenue and profit growth, while also delivering environmental benefits that contribute to protecting our climate and natural resources."

Business Growth

Empower has concluded various Master Development Agreements during 2023 with major real estate developers in Dubai. Most notably the agreement signed with Dubai Maritime City (DMC) to provide cooling services to DMC with a total capacity exceeding 63,000 refrigeration tons. Empower will develop district cooling infrastructure that includes two plants and the related distribution network, to cater to 43 existing and upcoming buildings in the DMC development. The district cooling project will be completed in two phases. Empower had announced the completion of all operations to connect the 'Anwa' residential tower in the DMC development in 2023, to its district cooling services network, with a total capacity of 1,260 refrigeration tons.

Empower has also concluded an agreement with Sobha Properties, one of the leading luxury real estate development companies in the UAE, to supply the Sobha Hartland project with environmentally friendly district cooling services for a cooling capacity of up to 17,000 refrigeration tons. As part of the agreement, Empower will provide world-class district cooling services to 8 buildings in the Sobha Hartland from the Meydan Plant and through the expansion of the associated pipeline network.

During 2023, Empower commenced serving Dubai International Airport, one of the busiest airports in the world. Operating with a total capacity of 110,000 refrigeration tons (RT) with a value of AED 1.1 billion, five district cooling plants and the related assets were linked to Empower's operational, production, distribution, and administrative systems as part of the deal.

In 2023, Empower has also completed the qualitative expansion and development of the district cooling infrastructure in the Business Bay region, which hosts the world's single largest urban district cooling systems, with a total capacity of 450,000 RT spread across 6 district cooling plant rooms and 10 thermal energy storage (TES) tanks including both existing and upcoming facilities.

Key Sectors

Empower's portfolio expanded during 2023, delivering district cooling services to a total of 1,522 buildings, across diverse sectors in the Emirate of Dubai. 64% of the total number of buildings served by Empower are residential buildings and 15% are commercial and office buildings. The hotel and hospitality sector represents 14%, with Empower serving 21% of Dubai's hotels, totaling 821, the health sector accounts for 3%, and the remaining 4% is distributed among education, entertainment, shopping centers and other sectors.

Bin Shafar said that the company remains committed to supporting various sectors across Dubai in their carbon reduction efforts, aligning with the Emirate's vision for a green economy and sustainable development.

District Cooling Plants

Empower commenced the operation of its new district cooling plant in the Dubai Land Residence complex (DLRC), with a production capacity of 47,000 refrigeration tons, to serve the residents of DLRC, one of the prestigious residential destinations in Dubai.

During the year, Empower also commenced an upgradation project of its Jumeirah Beach Residence (JBR) district cooling plant, to equip it with modern, innovative technologies by awarding a contract worth AED 102 million. JBR plant serves 76 towers, 9,000 residences, and 2,000 hotel units, and the modernization project is expected to be completed by 2025.

The company also awarded last year, a set of contracts to build an advanced next-generation district cooling plant and expand the district cooling pipeline network in the Jumeirah Beach Hills area. This expansion project will provide a total cooling capacity of 48,000 refrigeration tons (RT) and will serve prestigious residential and tourist destinations in the emirate, including landmarks like Burj Al Arab, Jumeirah Beach Hotel, Marsa Al-Arab, Madinat Jumeirah Living, Madinat Jumeirah, Jumeirah Al-Naseem Hotel, and many more architectural icons in Dubai.

In May 2023, Empower announced the commencement of construction of reverse osmosis plants in three out of its eight district cooling plants in Palm Jumeirah. This initiative is part of the company's efforts to rationalize fresh water consumption in district cooling operations, aligning with the objectives of the Dubai Demand Side Management Strategy, which aims for a 30% reduction in water consumption by 2030. Empower has reaffirmed its commitment to strategic investments aimed at expanding operations in Dubai and enhancing its operational excellence. This initiative is driven by the company's dedication to modernization and the development of its infrastructure and technical workforce. The goal is to effectively address the increasing demand for the company's services from individuals, institutions, and companies. Notably, Empower currently commands a significant share, surpassing 80%, of the district cooling market in Dubai.

Awards

Empower has won various awards during the past year, notably two gold awards at IDEA Annual Conference 2023, held in Chicago, USA, in the categories 'Number of Buildings Committed' & 'Total

Building Area Committed'. The company has won gold awards from IDEA for these categories during the years 2016, 2017, 2018, 2019, 2021 and 2022. It has also won more than 16 times multiple awards in different categories during the past years, in addition to several awards in different global conferences and exhibitions.

In recognition of the company's green building practices, Empower's Za'abeel district cooling plant received a prestigious Gold certification from the United States Green Building Council (USGBC). This recognition is a result of Za'abeel plant's successful adherence to the rigorous Leadership in Energy and Environmental Design (LEED) standards set by the USGBC. The certification serves as a testament to Empower's pioneering efforts in environmental preservation and carbon footprint reduction. With this recognition, Empower has added another prestigious accolade to its record of successes and achievements, having previously received a similar rating in the same category.

The CEO Middle East also named His Excellency Ahmad Bin Shafar, CEO of Empower, as CEO of the Year 2023 for the Energy Sector for the third time, during the Middle East CEO Awards ceremony. The title is awarded in recognition of his pivotal role in advancing the district cooling sector in the Middle East region and his strategic direction that led Empower to a prominent global position, in addition to his tangible contributions and efforts with the company's teams in implementing the country's objectives towards sustainable development.

Empower also hosted the District Cooling Summit 2023, which was organized in collaboration with the International District Energy Association (IDEA) as a side event of the Conference of the Parties (COP 28) to the United Nations Framework Convention on Climate Change in the Green Zone. The summit witnessed the participation of delegates, professionals, experts, and decision-makers from around the world and brought together leading experts to discuss the transformative potential of district cooling in advancing sustainable urban development and climate mitigation efforts.

"Empower moves forward with a clear vision and effective expansion strategies that align with the vision of wise leadership for transitioning towards sustainability," said Bin Shafar, the CEO of Empower. "We aim to contribute more to cost reduction and improved energy efficiency by leveraging the advanced technologies we have developed".

- Ends-