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

Interim condensed consolidated financial statements

For the three-month and six-month periods ended 30 June 2026 (unaudited)

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

Interim condensed consolidated financial statements

For the three-month and six-month periods ended 30 June 2026 (unaudited)

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

Directors' report
for the three-month and six-month periods ended 30 June 2026

Directors' report

The Board of Directors present their report and interim condensed consolidated financial statements of Emirates Central Cooling Systems Corporation P.J.S.C (the "Company") and its subsidiaries (together referred to as the "Group") for the three-month and six-month periods ended 30 June 2026.

Principal activities

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

Financial performance

The Group achieved a turnover of AED 1,519,415 thousand during the six-month period ended 30 June 2026, which represented a growth of 4.5% compared to the same period last year. The group achieved an operating profit of AED 580,849 thousand, which represented a growth of 9.4% compared to the same period last year. The net profit attributable to the equity holders of the Company amounted to AED 463,557 thousand for the six-month period ended 30 June 2026.

Share capital

The paid-up capital of the Company is AED 1,000,000 thousand consisting of 10,000,000 thousand shares of AED 0.10 each. There has been no change in the capital structure of the Company during the six-month period ended 30 June 2026.

Transfer to statutory reserve

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

Dividend

A final dividend of AED 437,500 thousand (AED 0.04375 per share) in respect of the year ended 31 December 2025 was declared and approved in the Annual General Assembly Meeting held on 26 March 2026 which was paid on 23 April 2026. No interim dividend has been declared for the six-month period ended 30 June 2026.

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

Directors' report
for the three-month and six-month periods ended 30 June 2026 (continued)

Change in shareholding of the Company

During the six-month period ended 30 June 2026, Emirates Power Investment LLC ("EPI") transferred its ownership in the Company to Dubai Electricity and Water Authority PJSC ("DEWA"). As a result, there has been a change in the Board of Directors of the Company and Mr. Rashed Bin Humaidan has been appointed as a Director in place of Mr. Amit Kaushal, effective 10 March 2026.

Key agreements signed

During the six-month period ended 30 June 2026, Empower has signed 61 new agreements within its existing concession agreements with a total demand capacity of approximately 73,415 RT, with the Group's total contracted capacity reaching 2.02 million RT.

In addition to the above customer service agreements, Empower has signed an agreement with Meraas, a leading real estate developer, to supply 15,200 RT for City Walk phase 3 development. The City Walk project represents a qualitative addition to Dubai's dynamic urban landscape, embodying an integrated concept of modern living that combines innovative architectural design with the highest standards of comfort and luxury.

Auditors

The interim condensed consolidated financial statements of the Group were reviewed by PricewaterhouseCoopers Limited Partnership Dubai Branch, who were re-appointed as external auditors of the Group for the year 2026 in the Annual General Assembly meeting held on 26 March 2026.

On behalf of the Board

H.E Saeed Mohammed Ahmad Al Tayer
Chairman
5 August 2026

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Emirates Central Cooling Systems Corporation P.J.S.C (the "Company") and its subsidiaries (the "Group") as at 30 June 2026 and the related interim condensed consolidated statement of comprehensive income for the three-month and six-month periods then ended, and interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting."

PricewaterhouseCoopers Limited Partnership Dubai Branch
5 August 2026

Murad Alnsour
Registered Auditor Number 1301
Dubai, United Arab Emirates

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

Interim condensed consolidated statement of financial position

		As at	
		30 June 2026 AED'000	31 December 2025 AED'000
ASSETS	**Note**	**Unaudited**	**Audited**
Non-current assets			
Property, plant and equipment	*6*	7,274,608	7,194,990
Right-of-use assets		864	1,878
Investment properties	*28*	168,716	170,793
Intangible assets	*7*	309,590	315,668
Financial assets at amortised cost	*8*	1,273,130	1,284,009
Financial assets at fair value through other comprehensive income	*9*	74,564	55,778
Deferred tax assets	*27*	14,531	15,077
		9,116,003	9,038,193
Current assets			
Inventories		57,258	55,718
Trade and other receivables	*11*	433,972	303,818
Due from related parties	*13*	73,053	39,353
Financial assets at amortised cost	*8*	21,312	20,830
Financial assets at fair value through profit or loss	*10*	53,411	45,461
Term deposits		40,212	57,704
Cash and cash equivalents	*14*	2,472,012	2,255,745
		3,151,230	2,778,629
Total assets		12,267,233	11,816,822
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		1,000,000	1,000,000
Statutory reserve		500,000	500,000
Other reserves		14,800	13,809
Contributed capital		82,190	82,190
Retained earnings		1,740,595	1,714,934
		3,337,585	3,310,933
Non-controlling interests		190,745	186,378
Total equity		3,528,330	3,497,311
LIABILITIES			
Non-current liabilities			
Bank borrowings	*15*	5,500,000	5,500,000
Government grant		298,472	299,998
Provision for employees' end of service benefits		75,549	70,893
Retention payable	*16*	13,280	15,835
		5,887,301	5,886,726
Current liabilities			
Trade and other payables	*16*	2,458,563	2,165,056
Bank borrowings	*15*	2,845	3,418
Current tax liabilities	*27*	143,181	97,585
Due to related parties	*13*	242,971	161,670
Government grant		3,170	3,170
Lease liabilities		872	1,886
		2,851,602	2,432,785
Total liabilities		8,738,903	8,319,511
Total equity and liabilities		12,267,233	11,816,822

To the best of our knowledge, the interim condensed consolidated financial statements are prepared, in all material respects, in accordance with IAS 34. The interim condensed consolidated financial statements were approved by the Board of Directors on 5 August 2026 and were signed on their behalf by:

Chief Executive Officer

Chairman

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

Interim condensed consolidated statement of comprehensive income

		Three-month period ended 30 June		Six-month period ended 30 June	
	Note	2026 AED'000 Unaudited	2025 AED'000 Unaudited	2026 AED'000 Unaudited	2025 AED'000 Unaudited
Revenue	*17*	888,842	913,474	1,519,415	1,453,433
Interest income on financial asset at amortised cost	*8*	14,305	14,524	28,501	28,938
Cost of sales	*19*	(521,929)	(541,358)	(844,454)	(832,121)
Gross profit		381,218	386,640	703,462	650,250
General and administrative expenses	*20*	(69,593)	(64,126)	(134,953)	(125,017)
Other income		6,516	4,450	12,340	5,866
Operating profit		318,141	326,964	580,849	531,099
Finance income		16,126	11,353	31,221	24,451
Finance costs		(49,290)	(55,027)	(98,062)	(113,192)
Finance costs – net		(33,164)	(43,674)	(66,841)	(88,741)
Profit before income tax		284,977	283,290	514,008	442,358
Income tax expense	*27*	(25,538)	(25,446)	(46,084)	(39,695)
Profit for the interim period		259,439	257,844	467,924	402,663
Profit attributable to:					
Equity holders of the Company		256,463	254,973	463,557	397,944
Non-controlling interests		2,976	2,871	4,367	4,719
		259,439	257,844	467,924	402,663
Basic and diluted earnings per share for profit attributable to the equity holders of the Company (AED)	*24*	0.0256	0.0255	0.0464	0.0398
Profit for the interim period		259,439	257,844	467,924	402,663
Other comprehensive income / (loss)					
Items that will not be reclassified to profit or loss					
Changes in fair value of financial assets at fair value through other comprehensive income		689	(204)	612	(14)
Deferred tax expense on financial asset at FVOCI		(55)	17	(55)	-
Remeasurement of post-employment benefit obligations, net of tax		38	(565)	38	(565)
Other comprehensive income / (loss) for the period		672	(752)	595	(579)
Total comprehensive income for the period		260,111	257,092	468,519	402,084
Total comprehensive income attributable to:					
Equity holders of the Company		257,135	254,221	464,152	397,365
Non-controlling interests		2,976	2,871	4,367	4,719
		260,111	257,092	468,519	402,084

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

Interim condensed consolidated statement of changes in equity

	Note	Share capital AED'000	Statutory reserve AED'000	Other reserves AED'000	Retained earnings AED'000	Contributed capital AED'000	Total equity AED'000	Non-controlling interests AED'000	Total AED'000
		Attributable to equity holders of the Company							
At 1 January 2026		1,000,000	500,000	13,809	1,714,934	82,190	3,310,933	186,378	3,497,311
Total comprehensive income for the period									
Profit for the interim period		-	-	-	463,557	-	463,557	4,367	467,924
Other comprehensive income									
Other comprehensive income for the period		-	-	595	-	-	595	-	595
Total comprehensive income for the period		-	-	595	463,557	-	464,152	4,367	468,519
Transfer of loss on disposal of Bonds at FVOCI to retained earnings (net of tax)		-	-	396	(396)	-	-	-	-
Transaction with owners in their capacity as owners:									
Dividends	*12*	-	-	-	(437,500)	-	(437,500)	-	(437,500)
At 30 June 2026 (unaudited)		**1,000,000**	**500,000**	**14,800**	**1,740,595**	**82,190**	**3,337,585**	**190,745**	**3,528,330**
At 1 January 2025		1,000,000	500,000	18,768	1,596,632	82,190	3,197,590	175,745	3,373,335
Total comprehensive income for the period									
Profit for the interim period		-	-	-	397,944	-	397,944	4,719	402,663
Other comprehensive loss									
Other comprehensive loss for the period		-	-	(579)	-	-	(579)	-	(579)
Total comprehensive income for the period		-	-	(579)	397,944	-	397,365	4,719	402,084
Transaction with owners in their capacity as owners:									
Dividends	*12*	-	-	-	(437,500)	-	(437,500)	-	(437,500)
At 30 June 2025 (unaudited)		1,000,000	500,000	18,189	1,557,076	82,190	3,157,455	180,464	3,337,919

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

Interim condensed consolidated statement of cash flows

	Note	Six-month period ended 30 June 2026 AED'000 Unaudited	2025 AED'000 Unaudited
Cash flows from operating activities			
Profit before income tax		514,008	442,358
Adjustments for:			
Depreciation of property, plant and equipment	*6*	183,250	176,306
Depreciation of right-of-use assets		1,014	2,681
Depreciation of investment properties	*28*	2,077	2,898
Remeasurement of financial assets	*29*	11,231	11,231
Amortisation of intangible assets	*7*	6,078	6,078
Share of loss from joint venture		-	191
Amortisation of borrowings arrangement fee		-	3,781
Provision for employees' end of service benefits		5,109	5,035
Interest on lease liability		31	117
Interest income earned on financial assets at amortised cost	*8*	(28,501)	(28,938)
Finance income	*14*	(31,221)	(24,451)
Finance costs		98,031	109,294
Government grant income		(1,526)	(1,390)
Operating cash flows before changes in working capital and payment of employees' end of service benefits		759,581	705,191
Changes in working capital:			
Inventories		(1,540)	1,313
Financial assets	*29*	27,667	27,667
Trade and other receivables		(139,007)	(140,180)
Due from related parties		(33,700)	(52,743)
Trade and other payables		252,782	244,156
Due to related parties		81,301	64,579
Cash generated from operations		947,084	849,983
Payment of employees' end of service benefits		(411)	(877)
Net cash generated from operating activities		946,673	849,106
Cash flows from investing activities			
Capital expenditure, net of project cost accruals	*6*	(212,363)	(163,340)
Addition to Investment properties	*28*	-	(25,687)
Redemption of financial asset through FVOCI	*9*	55,080	-
Investment in financial assets through FVOCI	*9*	(73,684)	-
Investment in financial assets at fair value through profit or loss	*10*	(7,998)	(9,791)
Short-term deposits (more than 3 months) invested		17,700	(11,069)
Interest received		31,490	24,451
Net cash used in investing activities		(189,775)	(185,436)
Cash flows from financing activities			
Proceeds from bank borrowings net of arrangement fee		2,000,000	4,749,358
Repayment of bank borrowings		(2,000,000)	(4,750,000)
Lease payments		(1,045)	(2,778)
Interest paid		(102,086)	(116,726)
Dividends paid	*12*	(437,500)	(437,500)
Net cash used in financing activities		(540,631)	(557,646)
Net increase in cash and cash equivalents		216,267	106,024
Cash and cash equivalents, beginning of the period		2,255,745	1,936,627
Cash and cash equivalents, end of the period	*14*	2,472,012	2,042,651

The notes on pages 8 to 31 form an integral part of these interim condensed consolidated financial statements. For reclassification, refer to note 29.

1 Establishment and operations

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

In 2009, DEWA increased its shareholding in the Company to 70% and reduced TECOM's interest to 30%, as formalised through Decree No.3 of 2010 issued by the Ruler of Dubai. On 9 May 2022, TECOM transferred its interest of 30% to Emirates Power Investment LLC ("EPI"), an entity under common control through the Decree No. 19 of 2022 issued by the Ruler of Dubai.

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

On 10 February 2026, EPI transferred its ownership in the Company to DEWA and as a result, DEWA's shareholding in the Company increased from 56% to 80%.

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

Subsidiary	Principal activity	Beneficial and legal holding	
		2026	2025
Empower Insulated Pipe Systems LLC (formerly Empower Logstor LLC)	Manufacturing of pre-insulated pipes, mainly for district cooling.	100%	100%
Palm District Cooling LLC	Establishing and operating district cooling projects and provide air-conditioning, ventilator and refrigeration services.	100%	100%
Palm Utilities LLC	Establishing and operating district cooling projects and provide air-conditioning, ventilator and refrigeration services.	100%	100%
Empower FM LLC	Installations of equipment, installations and supplies for air conditioning, ventilation and purification systems, as well as their repairs and maintenance.	100%	100%
Empower Engineering & Consultancy LLC	Consultancy services for Project Development	100%	100%
Empower SNOW LLC	Establishing and operating district cooling projects and provide air-conditioning, ventilator and refrigeration services.	100%	100%
Dxb CoolCo FZCO	Establishing and operating district cooling projects and provide air-conditioning, ventilator and refrigeration services.	85%	85%

1 Establishment and operations (continued)

During the period, the Company's primary office has been moved to Ibn Al Zahrawy Street, Opposite: Dubai Police Officers' Club, off - Sheikh Rashid Road, P.O. Box 8081, Al Jadaf, Dubai, United Arab Emirates.

These interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2026 were authorised for issue in accordance with a resolution of the Board of Directors on 5 August 2026.

These interim condensed consolidated financial statements have been reviewed, not audited. The comparative information for the interim condensed consolidated statement of financial position is based on the audited consolidated financial statements as at 31 December 2025. The comparative information for interim condensed consolidated statement of comprehensive income for the three-month and six-month periods ended 30 June 2026, and interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended and other explanatory notes is based on the unaudited interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2025.

2 Basis of preparation

These interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2026 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", ("IAS 34").

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2025.

3 Material accounting policies

The accounting policies applied in the preparation of these interim condensed consolidated financial statements are consistent with those applied by the Group in its recent annual audited consolidated financial statements for the year ended 31 December 2025 except for the adoption of new and amended standards as set out below:

(a) New and amended standards adopted by the Group

The Group has applied the following amendments for the first time from 1 January 2026:

- Annual improvements to IFRS Accounting Standards – Volume 11
- Amendment to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments
- Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity

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

3 Material accounting policies (continued)

(b) Impact of standards issued but not yet applied by the Group

The new and amended standards that are issued, but not yet effective, up to the date of issuance of the Group's interim condensed consolidated financial statements are disclosed below:

	Effective date
Amendments to IAS 28 - Amendments to the Fair Value Option for Investments in Associates and Joint Venture	1 January 2027
Amendments to IAS 21 - Translation to a Hyperinflationary Presentation Currency	1 January 2027
IFRS 18 Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS 19 - Reducing disclosure requirements for eligible subsidiaries	1 January 2027
IFRS 20 - Regulatory Assets and Regulatory Liabilities	1 January 2029

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

4 Use of estimates and judgments

The preparation of interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same except the one disclosed below as those that were applied in the preparation of the consolidated financial statements of the Group as at and for the year ended 31 December 2025.

Change in the estimated useful life of investment properties

During the period, the estimated useful lives of shell and core (buildings) of investment property was revised from 25 years to 50 years. The revision was based on a reassessment of the expected pattern of economic benefits, taking into consideration expected usage and relevant industry benchmarks.

The net impact of the revision in the current period was a reduction in depreciation expense of AED 711 thousand, with an estimated annual reduction of AED 2,133 thousand in depreciation expense for the year ending 31 December 2026 in the consolidated statement of comprehensive income.

Assuming that the investment properties are held until the end of their remaining estimated useful lives of 48.5 years, depreciation expense in relation to these properties will be decreased by AED 2,843 thousand per annum.

5 Financial risk management

5.1 Financial risk factors

The Group's activities and borrowings exposes it to a variety of financial risks: market risk (including foreign exchange risk, price risk and cash flow interest rate risk), credit risk and liquidity risk.

These interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements. As such, they should be read in conjunction with the Group's consolidated financial statements as at 31 December 2025. There have been no changes in any financial risk management policies since year-end.

5.2 Liquidity risk

There has been no material change in the contractual undiscounted cash outflows for financial liabilities during the period.

5.3 Fair value estimation

Financial instruments comprise financial assets and financial liabilities. Financial assets consist of cash and bank balances, trade and other receivables (excluding prepayments), due from related parties, financial assets at amortised cost and term deposits. Financial liabilities consist of trade and other payables (excluding deferred revenue), bank borrowings and due to related parties. The fair values of financial instruments approximate their carrying values.

6 Property, plant and equipment

	Land AED'000	Plant, equipment and machinery AED'000	Building AED'000	Furniture and fixtures AED'000	Leasehold improvements AED'000	Computer equipment AED'000	Vehicles AED'000	Capital work-in-progress AED'000	Total AED'000
Cost									
At 1 January 2026	432,364	9,826,387	71,769	24,437	12,625	50,921	14,966	495,858	10,929,327
Additions	-	2,036	-	792	367	407	1,382	250,801	255,785
Transfers	-	173,775	197,145	11,482	44,084	17,155	-	(443,641)	-
Disposals / Retirements	-	-	-	-	(5,211)	-	(104)	-	(5,315)
At 30 June 2026 (unaudited)	432,364	10,002,198	268,914	36,711	51,865	68,483	16,244	303,018	11,179,797
Accumulated depreciation									
At 1 January 2026	-	3,587,657	40,185	21,978	12,185	44,685	9,634	18,013	3,734,337
Charge for the period	-	171,637	3,420	1,499	1,921	3,472	1,301	-	183,250
Impairment written off	-	-	-	-	-	-	-	(7,083)	(7,083)
Disposals / Retirements	-	-	-	-	(5,211)	-	(104)	-	(5,315)
At 30 June 2026 (unaudited)	-	3,759,294	43,605	23,477	8,895	48,157	10,831	10,930	3,905,189
Net book amount at 30 June 2026 (unaudited)	432,364	6,242,904	225,309	13,234	42,970	20,326	5,413	292,088	7,274,608

6 Property, plant and equipment (continued)

	Land AED'000	Plant, equipment and machinery AED'000	Building AED'000	Furniture and fixtures AED'000	Leasehold improvements AED'000	Computer equipment AED'000	Vehicles AED'000	Capital work-in-progress AED'000	Total AED'000
Cost									
At 1 January 2025	432,364	9,459,653	70,709	22,078	12,625	47,922	12,103	339,040	10,396,494
Additions	-	616	-	1,060	-	1,218	337	269,824	273,055
Transfers	-	135,043	-	-	-	379	-	(135,422)	-
Transfer to investment properties	-	-	-	-	-	-	-	(33,408)	(33,408)
Disposals / Retirements	-	(16,721)	-	(2)	-	-	-	-	(16,723)
At 30 June 2025 (unaudited)	432,364	9,578,591	70,709	23,136	12,625	49,519	12,440	440,034	10,619,418
Accumulated depreciation									
At 1 January 2025	-	3,265,155	37,330	20,192	12,037	40,748	7,859	18,013	3,401,334
Charge for the period	-	171,412	1,384	854	104	1,832	720	-	176,306
Disposals / Retirements	-	(16,721)	-	(2)	-	-	-	-	(16,723)
At 30 June 2025 (unaudited)	-	3,419,846	38,714	21,044	12,141	42,580	8,579	18,013	3,560,917
Net book amount at 30 June 2025 (unaudited)	432,364	6,158,745	31,995	2,092	484	6,939	3,861	422,021	7,058,501

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

EMPOWER will continue to have uninterrupted and unencumbered use of the plots until the relevant lease agreements are entered into. District cooling assets with a net book value of AED 68,989 thousand are developed on some of these plots of land.

During the six-month periods ended 30 June 2026, the transfer to plant, equipment and machinery from capital work in progress represents additions mainly to district cooling projects. The transfers to other categories mainly represent assets capitalised with respect to Empower's office building which was completed during the period. The useful life of the Headquarter building was determined to be 25 to 50 years.

Capital work-in-progress balances as of 30 June 2026 mainly include costs of constructing district cooling plants and networks pertaining to various projects

6 Property, plant and equipment (continued)

	Three-month period ended 30 June		Six-month period ended 30 June	
	2026 AED'000 Unaudited	**2025 AED'000 Unaudited**	**2026 AED'000 Unaudited**	**2025 AED'000 Unaudited**
Depreciation expense has been charged to:				
Cost of sales (Note 19)	85,782	87,645	171,637	171,412
General and administrative expenses (Note 20)	6,469	2,717	11,613	4,894
	92,251	90,362	183,250	176,306

Additions during the period include non-cash transactions of AED 43,422 thousand.

7 Intangible assets

	30 June 2026 AED'000 Unaudited	**31 December 2025 AED'000 Audited**
At 1 January	315,668	327,825
Amortisation during the period/year	(6,078)	(12,157)
At 30 June / 31 December	309,590	315,668

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

8 Financial assets at amortised cost

	30 June 2026 AED'000 Unaudited	**31 December 2025 AED'000 Audited**
At 1 January	1,304,839	1,324,787
Interest income during the period/year	28,501	58,307
Remeasurement and settlement during the period/year	(38,898)	(78,255)
At 30 June / 31 December	1,294,442	1,304,839
Less: current portion	(21,312)	(20,830)
Non-current portion	1,273,130	1,284,009

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

(a) AED 289,412 thousand (31 December 2025: AED 291,933 thousand) from Nakheel PJSC, an entity under common control, in relation to acquisition of Empower Snow LLC during 2021, and

(b) AED 1,005,030 (31 December 2025: AED 1,012,906 thousand) from Dubai Aviation City Corporation, an entity under common control, in relation to acquisition of DXB CoolCo FZCO during 2023.

The financial assets are categorised within level 3 of the fair value hierarchy which approximates its carrying value.

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

	30 June 2026 AED'000 Unaudited	31 December 2025 AED'000 Audited
At 1 January	55,778	55,709
Bonds redeemed	(55,080)	-
Addition during the period	73,684	-
Interest income	1,222	644
Interest received	(1,652)	(643)
Fair value gain during the period/year	612	68
At 30 June / 31 December	74,564	55,778

During the period, Tier 1 Capital Certificates ("Bonds") were redeemed at the face value and the Group invested in perpetual Tier 1 Sukuk ("Sukuks"), which were issued at par value and are listed on Nasdaq and Euronext. The Bonds carried a non-cumulative profit rate of 6.0% per annum and Sukuks carries a non-cumulative profit rate of 6.25% per annum. Distributions under both instruments are payable semi-annually at the discretion of the issuer.

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

	30 June 2026 AED'000 Unaudited	30 June 2025 AED'000 Unaudited
Fair value gain / (loss) recognised in other comprehensive income	612	(14)
Interest income from Bonds and Sukuk Bonds held at FVTOCI recognised in profit or loss	1,222	2,296
Gain on redemption of Bonds	22	-

Subsequent to the reporting date, the Group sold its Sukuks at a value of AED 74,184 thousand and invested AED 73,670 thousand on 15 July 2026 in Tier 1 perpetual capital bond which carries a non-cumulative profit rate of 6.625% per annum, payable semi-annually at the discretion of the issuer.

10 Financial assets at fair value through profit or loss

	30 June 2026 AED'000 Unaudited	31 December 2025 AED'000 Audited
Investment in National Bonds	53,281	45,283
Interest accrued	130	178
At 30 June / 31 December	53,411	45,461

During the period ended 30 June 2026, the Group invested an additional amount of AED 7,998 thousand into the National Bonds Corporation Sole Proprietorship P.S.C. on similar terms as existing investments.

11 Trade and other receivables

	30 June 2026 AED'000 Unaudited	31 December 2025 AED'000 Audited
Trade receivables	285,185	199,213
Accrued revenues	108,970	44,424
	394,155	243,637
Less: Provision for expected credit losses	(41,078)	(41,078)
	353,077	202,559
Other financial assets at amortised cost		
Other receivables	11,153	16,556
Other assets		
Advance to contractors / suppliers	56,780	65,633
Prepayments	12,962	19,070
	69,742	84,703
	433,972	303,818

The increase in accrued revenue reflects the seasonal nature of the Group's operations, which are sensitive to weather conditions.

Other receivables include a deposit of AED 4,490 thousand (2025: AED 4,490 thousand) receivable from DEWA (Note 13).

12 Dividends

Final dividends

A final dividend of AED 437,500 thousand (AED 0.04375 per share) in respect of the year ended 31 December 2025 was declared and approved in Annual General Assembly Meeting held on 26 March 2026 which was paid on 23 April 2026 (2025: A final dividend of AED 437,500 thousand (AED 0.04375 per share) in respect of the year ended 31 December 2024 was declared and approved in Annual General Assembly Meeting held on 19 March 2025 which was paid on 16 April 2025).

Interim dividends

No interim dividend proposed for the six-month period ended 30 June 2026 (2025: Interim dividend of AED 437,500 thousand (AED 0.04375 per share) in respect of the six-month period ended 30 June 2025 was approved in Annual General Assembly Meeting held on 9 October 2025 which was subsequently paid on 30 October 2025).

13 Transactions and balances with related parties

Related parties include the shareholders, key management personnel, subsidiaries, joint venture, directors and businesses which are controlled directly or indirectly by the shareholders or directors or over which they exercise significant management influence. The Group has availed the exemption as per para 25 of IAS 24 Related Party Disclosure.

13 Transactions and balances with related parties (continued)

(a) Related party transactions

During the period, the Group entered into the following significant transactions with related parties:

	Three-month period ended 30 June		**Six-month period ended 30 June**	
	2026 AED'000 Unaudited	**2025 AED'000 Unaudited**	**2026 AED'000 Unaudited**	**2025 AED'000 Unaudited**
Services rendered to entities under common control of Ultimate Parent				
Dubai Airports Corporation	48,485	68,639	75,378	110,003
Dubai Properties Group LLC	31,140	39,795	56,004	71,564
Nakheel PJSC	31,480	54,775	60,099	80,770
Tecom Investments FZ LLC	17,204	14,503	29,013	28,272
Jumeirah Group LLC	13,913	13,222	25,037	23,320
Meraas Holding LLC	8,450	9,999	14,433	16,317
Meydan Group LLC	4,407	7,769	7,481	7,769
Global Village Dubai LLC	149	167	261	285
	155,228	208,869	267,706	338,300
Dividend to shareholders				
Dubai Electricity and Water Authority PJSC (DEWA)*	-	-	350,000	245,000
Emirates Power Investment LLC	-	-	-	105,000
	-	-	350,000	350,000
Services received from shareholder				
Dubai Electricity and Water Authority PJSC (DEWA)	366,336	414,421	543,036	579,398
Services received from entities under common control of Ultimate Parent				
Finance cost from Emirates NBD PJSC	50,607	57,355	101,089	113,357
Key Management Remuneration				
Board of directors' remuneration (Note 20)	1,500	1,470	3,000	2,940
Compensation of key management personnel				
Short term benefits	1,246	1,223	2,502	2,442
End of service benefits	130	130	260	260
	1,376	1,353	2,762	2,702

*Dividend (Note 12) was announced subsequent to the transaction of transfer ownership by EPI to DEWA (Note 1).

13 Transactions and balances with related parties (continued)

(b) Balances with related parties

	30 June 2026 AED'000 Unaudited	31 December 2025 AED'000 Audited
Due from related parties		
Entity under common control of Ultimate Parent		
Dubai Airports Corporation (DAC)	49,476	16,171
Nakheel PJSC	8,709	16,308
Jumeirah Group LLC	5,374	3,720
Tecom Investments FZ LLC	6,348	2,291
Dubai Aviation City Corporation (DACC)	1,141	764
Meraas Holding LLC	1,960	69
Others	45	30
	73,053	39,353
Due to related parties		
Shareholders		
Dubai Electricity and Water Authority PJSC (DEWA)	175,654	103,483
Entity under common control of Ultimate Parent		
Meydan City Corporation	28,000	28,551
Dubai Airports Corporation (DAC)	19,572	8,046
Dubai Properties Group LLC	19,488	21,333
Others	257	257
	67,317	58,187
	242,971	161,670

The increase in related party balances reflects the seasonal nature of the Group's operations, which are sensitive to weather conditions.

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

	30 June 2026 AED'000 Unaudited	31 December 2025 AED'000 Audited
Shareholder		
Dubai Electricity and Water Authority PJSC (Note 11)	4,490	4,490
Entities under common control of Ultimate Parent		
Emirates NBD PJSC	5,930,506	5,921,192
Dubai Aviation City Corporation (DACC)	1,005,030	1,012,906
Dubai Islamic Bank PJSC	341,373	291,838
Nakheel PJSC	289,412	291,933
Emirates Islamic Bank (P.J.S.C.)	322,566	138,725

14 Cash and cash equivalents

	30 June 2026 AED'000 Unaudited	31 December 2025 AED'000 Audited
Short term bank deposits – less than 3 months	2,244,495	2,050,859
Cash at bank	225,781	204,886
Cash on hand	1,736	-
	2,472,012	2,255,745

Bank balances are held with branches of local and international banks. Short-term bank deposits bear an effective interest rate of 3.75% to 4.60% per annum (2025: of 3.9% to 4.8% per annum).

Term deposits are presented as cash equivalents only if they have a maturity of three-month or less from the date of original maturity or are readily convertible to known amounts of cash which are subject to insignificant risk of changes in value.

The Group earned finance income of AED 31,221 thousand during the six-month period ended 30 June 2026 (2025: AED 24,451 thousand).

15 Bank borrowings

	30 June 2026 AED'000 Unaudited	31 December 2025 AED'000 Audited
Revolving credit facilities	5,500,000	5,500,000
Interest accrued	2,845	3,418
Revolving credit facilities	5,502,845	5,503,418
Total borrowings	5,502,845	5,503,418
Less: current portion	(2,845)	(3,418)
Non-current balance	5,500,000	5,500,000

Interest accrued as of 30 June 2026 amounts to AED 2,845 thousand (2025: AED 3,418 thousand), classified as short-term portion of bank borrowings which is payable within one year.

15 Bank borrowings (continued)

The movement in bank borrowings during the period:

	30 June 2026 AED'000 Unaudited	31 December 2025 AED'000 Audited
As at 1 January	5,503,418	5,498,415
Drawdown during the period/year	2,000,000	6,749,358
Interest expense during the period/year	98,031	220,753
Interest capitalised during the period/year	3,482	10,711
Interest paid during the period/year	(102,086)	(229,600)
Principal repayment during the period/year	(2,000,000)	(6,750,000)
Arrangement fee charged to statement of profit and loss	-	3,781
At 30 June / 31 December	5,502,845	5,503,418

During the year ended 31 December 2025, the Group exchanged certain borrowing facilities with one of its existing lenders. For further information, please refer to Note 19 in the Group's annual consolidated financial statements for the year ended 31 December 2025.

As of 30 June 2026, the Group has the following outstanding borrowing facilities;

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

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

The maturity profile of the borrowings is as follows:

	30 June 2026 AED'000 Unaudited	31 December 2025 AED'000 Audited
Within one year	2,845	3,418
After one year but not more than three years	5,500,000	5,500,000
	5,502,845	5,503,418

The facilities are guaranteed by the Company and Palm District Cooling LLC.

There were no undrawn facilities as of 30 June 2026 and 31 December 2025.

16 Trade and other payables

	30 June 2026 AED'000 Unaudited	31 December 2025 AED'000 Audited
Deferred revenue	905,070	741,871
Refundable customers' security deposits	577,600	549,132
Project cost accruals	403,362	361,648
Project payables	134,637	143,675
Retention payable	114,008	108,514
Other liabilities	337,166	276,051
	2,471,843	2,180,891
Less: Non-current portion of retention payable	(13,280)	(15,835)
Current portion	2,458,563	2,165,056

During the six-month period ended 30 June 2026, the Group collected connection fees in relation to new buildings that are not connected to district cooling network as of 30 June 2026 and recorded as deferred revenue.

Project cost accruals increased due to the continued progress of ongoing projects and the related costs incurred during the period.

Other liabilities include accrued expenses for water and electricity amounting to AED 105,679 thousand (31 December 2025: AED 50,207 thousand) payable to DEWA.

Movement in deferred revenue is as follows:

	30 June 2026 AED'000 Unaudited	30 June 2025 AED'000 Unaudited
At 1 January	741,871	520,094
Billed during the period	876,969	765,764
Less: Income recognised during the period	(713,770)	(643,903)
At 30 June	905,070	641,955

17 Revenue

	Three-month period ended 30 June		Six-month period ended 30 June	
	2026 AED'000 Unaudited	2025 AED'000 Unaudited	2026 AED'000 Unaudited	2025 AED'000 Unaudited
District cooling services	872,883	907,110	1,491,122	1,445,361
Sale of pre-insulated pipes	15,959	6,364	28,293	8,072
	888,842	913,474	1,519,415	1,453,433

18 Operating segments

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

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

The Board of Directors are also provided with multiple levels of information which comprise of revenue, gross profit and net profit, aggregated for higher level components by stream. The financial accounting system of the Group is currently configured in this manner and this information is readily available. However, for decision making purposes, the Board of Directors relies mainly on the revenue and net profit information that contains lower-level components. Hence, the segment information provided is primarily to the net profit level of the Group.

For the Board of Directors, the Group is currently organised into two major operating and reportable segments as follows:

- The 'Chilled water' segment constructs, owns, assembles, installs, operates and maintains cooling and conditioning systems. In addition, the segment distributes and sells chilled water for use in district cooling technologies.
- The 'Pre-insulated pipe business' segment is involved in manufacturing, assembling and selling activities relating to the expansion of the Group's chilled water business.

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

Notes to the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2026 (continued)

18 Operating segments (continued)

	Six-month period ended 30 June 2026 (unaudited)				Six-month period ended 30 June 2025 (unaudited)			
	Chilled water AED'000	Pre-insulated pipe AED'000	Elimination AED'000	Total AED'000	Chilled water AED'000	Pre-insulated pipe AED'000	Elimination AED'000	Total AED'000
Revenues								
External revenue	1,491,122	28,293	-	1,519,415	1,445,361	8,072	-	1,453,433
Interest earned on financial asset at amortised cost	28,501	-	-	28,501	28,938	-	-	28,938
Inter-segment revenue	-	19,801	(19,801)	-	-	12,410	(12,410)	-
Total revenues	**1,519,623**	**48,094**	**(19,801)**	**1,547,916**	**1,474,299**	**20,482**	**(12,410)**	**1,482,371**
Cost of sales	(823,209)	(32,888)	11,643	(844,454)	(825,935)	(12,974)	6,788	(832,121)
Gross profit	**696,414**	**15,206**	**(8,158)**	**703,462**	**648,364**	**7,508**	**(5,622)**	**650,250**
General and administrative expenses	(132,246)	(2,707)	-	(134,953)	(122,527)	(2,490)	-	(125,017)
Other income	12,291	49	-	12,340	5,862	4	-	5,866
Operating profit	**576,459**	**12,548**	**(8,158)**	**580,849**	**531,699**	**5,022**	**(5,622)**	**531,099**
Finance income	30,075	1,146	-	31,221	23,552	899	-	24,451
Finance costs	(98,062)	-	-	(98,062)	(113,192)	-	-	(113,192)
Finance costs – net	(67,987)	1,146	-	(66,841)	(89,640)	899	-	(88,741)
Profit before income tax	**508,472**	**13,694**	**(8,158)**	**514,008**	**442,059**	**5,921**	**(5,622)**	**442,358**
Income tax	(45,586)	(1,021)	523	(46,084)	(39,667)	(28)	-	(39,695)
Profit for the interim period	**462,886**	**12,673**	**(7,635)**	**467,924**	**402,392**	**5,893**	**(5,622)**	**402,663**

Inter-segment transactions are eliminated on consolidation.

18 Operating segments (continued)

Segment results include an amount of depreciation and amortisation allocated to the operating segments as follows:

	Six-month period ended 30 June 2026 (unaudited)			Six-month period ended 30 June 2025 (unaudited)		
	Chilled water AED'000	Pre-insulated pipe AED'000	Total AED'000	Chilled water AED'000	Pre-insulated pipe AED'000	Total AED'000
Depreciation on property, plant and equipment (Note 6)	182,194	1,056	183,250	175,202	1,104	176,306
Depreciation on right-of-use assets	1,014	-	1,014	2,681	-	2,681
Depreciation on investment properties (Note 28)	2,077	-	2,077	2,898	-	2,898
Amortisation of intangible asset (Note 7)	6,078	-	6,078	6,078	-	6,078
Total depreciation and amortisation	191,363	1,056	192,419	186,859	1,104	187,963

Segment assets and liabilities are as follows:

	Six-month period ended 30 June 2026 (unaudited)			Six-month period ended 30 June 2025 (unaudited)		
	Chilled water AED'000	Pre-insulated pipe AED'000	Total AED'000	Chilled water AED'000	Pre-insulated pipe AED'000	Total AED'000
Segment assets	12,122,372	144,861	12,267,233	11,485,262	94,884	11,580,146
Total assets	12,122,372	144,861	12,267,233	11,485,262	94,884	11,580,146
Segment liabilities	8,711,788	27,115	8,738,903	8,228,054	14,173	8,242,227
Total liabilities	8,711,788	27,115	8,738,903	8,228,054	14,173	8,242,227

18 Operating segments (continued)

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

	Six-month period ended 30 June 2026 (unaudited)			Six-month period ended 30 June 2025 (unaudited)		
	Chilled water AED'000	**Pre-insulated pipe AED'000**	**Total AED'000**	**Chilled water AED'000**	**Pre-insulated pipe AED'000**	**Total AED'000**
Property, plant and equipment	255,607	178	255,785	273,055	-	273,055

Geographic information

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

	Revenue		Non-current assets	
	30 June 2026 (unaudited) AED'000	**30 June 2025 (unaudited) AED'000**	**30 June 2026 (unaudited) AED'000**	**31 December 2025 (audited) AED'000**
United Arab Emirates	1,519,415	1,453,433	9,116,003	9,038,193

19 Cost of sales

	Three-month period ended 30 June		Six-month period ended 30 June	
	2026 AED'000 Unaudited	2025 AED'000 Unaudited	2026 AED'000 Unaudited	2025 AED'000 Unaudited
Utilities cost	368,440	414,849	546,066	580,951
Depreciation on property, plant and equipment (Note 6)	85,782	87,645	171,637	171,412
Repairs and maintenance	21,860	9,634	44,128	23,201
Staff costs (Note 21)	14,905	11,606	29,679	23,650
Materials	11,113	3,854	17,556	4,641
Amortisation of intangible asset (Note 7)	3,039	2,965	6,078	6,078
Depreciation on right-of-use assets	-	332	151	663
Others	16,790	10,473	29,159	21,525
	521,929	541,358	844,454	832,121

20 General and administrative expenses

	Three-month period ended 30 June		Six-month period ended 30 June	
	2026 AED'000 Unaudited	2025 AED'000 Unaudited	2026 AED'000 Unaudited	2025 AED'000 Unaudited
Staff costs (Note 21)	47,099	43,855	93,740	89,417
Depreciation on property, plant and equipment (Note 6)	6,469	2,717	11,613	4,894
Communication expenses	1,532	1,381	3,079	2,749
Board of directors' remuneration	1,500	1,470	3,000	2,940
Bank charges	1,680	1,158	3,000	2,401
Consultancy	1,952	2,364	2,848	3,834
Advertising and marketing expenses	1,360	1,998	2,240	2,800
Software maintenance expenses	1,106	1,032	2,109	2,379
Depreciation on investment properties (Note 28)	1,220	1,756	2,077	2,898
HSE equipment	605	393	1,388	767
Water & Electricity	576	623	1,113	1,177
Business travel	743	416	971	619
Depreciation on right-of-use assets	432	1,009	863	2,018
Others	3,319	3,954	6,912	6,124
	69,593	64,126	134,953	125,017

21 Staff costs

	Three-month period ended 30 June		Six-month period ended 30 June	
	2026 AED'000 Unaudited	**2025 AED'000 Unaudited**	**2026 AED'000 Unaudited**	**2025 AED'000 Unaudited**
Salaries	39,790	36,826	79,512	74,565
Staff benefits	19,761	16,155	38,799	33,467
End of service benefits	2,453	2,480	5,108	5,035
	62,004	55,461	123,419	113,067
Staff costs have been charged to:				
Cost of sales (Note 19)	14,905	11,606	29,679	23,650
General and administrative expenses (Note 20)	47,099	43,855	93,740	89,417
	62,004	55,461	123,419	113,067

22 Guarantees

As at 30 June 2026, the Group had AED 3,963 thousand outstanding bank guarantees and letters of credits (31 December 2025: Nil), which were issued by the Group's bankers in the normal course of business.

23 Commitments

Capital commitments

As at 30 June 2026, the Group has project commitments of AED 980,386 thousand (31 December 2025: AED 825,129 thousand) for projects-in-progress. These commitments represent the value of contracts issued as of 30 June 2026, net of invoices recorded, and accruals made as of that date. The increase during the period was primarily attributable to a new plant contract.

24 Earning per share

	Three-month period ended 30 June		Six-month period ended 30 June	
	2026 AED'000 Unaudited	**2025 AED'000 Unaudited**	**2026 AED'000 Unaudited**	**2025 AED'000 Unaudited**
Profit attributable to the ordinary equity holders of the Company (AED)	256,463	254,973	463,557	397,944
Weighted average number of ordinary shares used as a denominator in calculating basic earnings per share	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000
Basic and diluted earnings per share (AED)	0.0256	0.0255	0.0464	0.0398

25 Fair value measurement

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: inputs that are quoted market price (unadjusted) in an active market for identical instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted market prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: inputs that are unobservable. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The table below analyses financial instruments, measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

30 June 2026	**Level 1 AED'000 Unaudited**	**Level 2 AED'000 Unaudited**	**Level 3 AED'000 Unaudited**	**Total AED'000 Unaudited**
Financial assets at fair value through other comprehensive income	74,564	-	-	74,564
Financial assets at fair value through profit or loss	-	53,411	-	53,411
	74,564	53,411	-	127,975

31 December 2025	**Level 1 AED'000 Audited**	**Level 2 AED'000 Audited**	**Level 3 AED'000 Audited**	**Total AED'000 Audited**
Financial assets at fair value through other comprehensive income	55,778	-	-	55,778
Financial assets at fair value through profit or loss	-	45,461	-	45,461
	55,778	45,461	-	101,239

There were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments; and
- for other financial instruments - discounted cash flow analysis. All of the resulting fair value estimates are included in level 2.

26 Seasonality of operations

The Group's financial results for any period are not necessarily indicative of results to be expected for the full year. Interim period revenues and earnings are typically sensitive to the weather conditions.

27 Income tax expense

(a) Components of income tax expense

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

	Three-month period ended 30 June		Six-month period ended 30 June	
	2026 AED'000 Unaudited	2025 AED'000 Unaudited	2026 AED'000 Unaudited	2025 AED'000 Unaudited
Current tax	25,334	25,160	45,594	39,123
Deferred tax asset	286	286	572	572
Deferred tax liability	(82)	-	(82)	-
Income tax expense	25,538	25,446	46,084	39,695

Income tax expense is recognised during the three- month and six-month periods ended 30 June 2026 on the weighted average annual income tax rate for the full financial year. Amounts accrued for income tax expense may have to be adjusted if the annual income tax rate changes. As of 30 June 2026, the Group has current tax liabilities of AED 143,181 thousand (31 December 2025: AED 97,585 thousand) and deferred tax assets of AED 14,531 thousand (31 December 2025: AED 15,077 thousand).

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

The income tax rate applicable to the Group's income is 9% (2025: 9%). A reconciliation between the expected and the actual tax charge is provided overleaf:

27 Income tax expense (continued)

	Three-month period ended 30 June		Six-month period ended 30 June	
	2026 AED'000 Unaudited	**2025 AED'000 Unaudited**	**2026 AED'000 Unaudited**	**2025 AED'000 Unaudited**
Profit before income tax	284,977	283,290	514,008	442,358
Profit before tax at statutory rate of 9%	25,648	25,496	46,261	39,812
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:				
Income which is exempt from taxation	(68)	(68)	(68)	(68)
Other adjustments	(42)	18	(109)	(49)
Income tax expense	25,538	25,446	46,084	39,695

The effective tax rate for the three-month and six-months periods ended 30 June 2026 is 9% (2025: 9%).

(c) Deferred taxes analysed by type of temporary difference

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

Further, AED 55 thousand (2025: AED 6 thousand) deferred tax relates to changes in fair value of financial assets at fair value through other comprehensive income which has been recognised in other comprehensive income in interim condensed consolidated statement of comprehensive income.

(d) OECD Pillar Two

The Group has assessed the applicability of the OECD Pillar Two model rules and concluded that it is not within the scope of the legislation.

28 Investment properties

	30 June 2026 AED'000 Unaudited	31 December 2025 AED'000 Audited
At 1 January	170,793	118,015
Additions	-	25,687
Transfers from property, plant and equipment (Note 6)	-	33,408
Depreciation during the period (Note 20)	(2,077)	(6,317)
At 30 June / 31 December	168,716	170,793

Investment properties include residential buildings and certain floors of office buildings which are held for long-term rental yields and are not occupied by the group. They are carried at cost and depreciated over a useful life of 25 to 50 years.

During the three-month and six-month periods ended 30 June 2026, the Group earned rental income of AED 4,840 thousand (2025: AED 2,375 thousand) and AED 9,650 thousand (2025: AED 2,375 thousand) respectively.

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

29 Corresponding figures

The Group had previously presented receipts of AED 27,667 thousand as a non-cash adjustment to "Operating cash flows before changes in working capital and payment of employees' end of service benefits," under "Remeasurement of financial assets (settlement of financial assets)" in the statement of cash flows which has been presented as changes in Financial assets within the "Changes in working capital" in the interim condensed consolidated statement of cash flows. This reclassification has no impact on the net cash generated from operating activities.

30 Regional Conflict

Ongoing developments in parts of the Middle East during the period have resulted in a degree of uncertainty across the region, including the United Arab Emirates where the Group operates. These developments have had a limited impact on the Group's consumption revenue, primarily due to lower customer activity levels in certain sectors, including hospitality.

Management continues to monitor the situation and will assess any implications in the ordinary course of business.