

Dubai Electricity and Water
Authority (PJSC) and
its subsidiaries

Condensed consolidated interim
financial information
*for the three month period ended
31 March 2023 (unaudited)*

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Condensed consolidated interim financial information
for the three month period ended 31 March 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 31 March 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 31 March 2023;
- the condensed consolidated interim statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2023;
- the condensed consolidated interim statement of changes in equity for the three-month period ended 31 March 2023;
- the condensed consolidated interim statement of cash flows for the three-month period ended 31 March 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
31 March 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 31 March 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: 08 May 2023

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Condensed consolidated interim statement of financial position as at

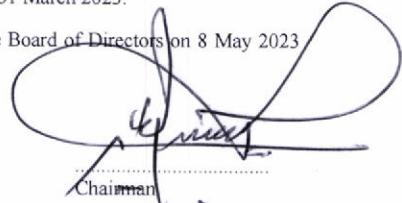
	Notes	31 March 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	6	154,738,907	154,029,411
Intangible assets	7	456,110	471,123
Investments accounted for using the equity method	8	640	640
Derivative financial instruments	9	770,611	1,294,802
Financial assets at fair value through other comprehensive income	10	53,569	52,911
Investment properties	11	78,174	72,859
Other assets	12	1,085,681	1,134,897
Other financial assets	13	1,742,240	1,457,956
Total non-current assets		158,925,932	158,514,599
Current assets			
Derivative financial instruments	9	474,139	492,106
Other assets	12	122,385	131,845
Other financial assets	13	3,007,193	3,133,758
Inventories	14	1,467,711	1,445,216
Trade receivables	15	4,020,987	4,211,335
Short-term deposits	16	8,308,381	7,532,503
Cash and cash equivalents	17	3,854,786	5,287,415
Total current assets		21,255,582	22,234,178
Total assets		180,181,514	180,748,777
Equity and liabilities			
Equity			
Share capital	18	500,000	500,000
Capital contribution	18	40,042,885	40,042,885
Retained earnings	18	48,083,053	47,338,862
Statutory reserve	18	591,346	591,346
Hedging reserve	18	622,167	954,247
Equity attributable to the Owners of the Company		89,839,451	89,427,340
Non-controlling interests		2,672,735	2,953,130
Total equity		92,512,186	92,380,470
Liabilities			
Non-current liabilities			
Derivative financial instruments	9	47,509	4,578
Borrowings	19	36,123,088	37,317,975
Retirement benefit obligations	20	1,020,236	1,010,493
Lease liabilities	21	21,171	23,528
Other long term liabilities	22	32,717,068	32,802,528
Total non-current liabilities		69,929,072	71,159,102
Current liabilities			
Derivative financial instruments	9	47,487	-
Borrowings	19	3,429,131	3,371,854
Lease liabilities	21	13,286	12,884
Trade and other payables	23	14,220,435	13,729,124
Total current liabilities		17,710,339	17,113,862
Total liabilities		87,639,411	88,272,964
Total equity and liabilities		180,151,597	180,653,434
Regulatory deferral account-credit balance	24	29,917	95,343
Total equity, liabilities and regulatory deferral account credit balance		180,181,514	180,748,777

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 three month period ended 31 March 2023.

The condensed consolidated interim financial information was approved and signed on behalf of the Board of Directors on 8 May 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 36 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 three month period ended 31 March	
	2023	2022
	AED'000 (Unaudited)	AED'000 (Unaudited)
Revenue	26	5,435,814
Cost of sales	27	(3,900,105)
Gross profit		1,535,709
Administrative expenses	28	(687,051)
Credit impairment (losses)/reversal	29	(1,477)
Other income		44,537
Operating profit		891,718
Finance income	30	202,303
Finance costs	30	(396,268)
Finance costs – net	30	(193,965)
Profit for the period before net movement in regulatory deferral account balance		697,753
Net movement in regulatory deferral account credit balance	24	65,426
Profit for the period and net movement in regulatory deferral account balance		763,179
Other comprehensive income		
<i>Items that will not be reclassified to profit or loss</i>		
Remeasurements of retirement benefit obligations	20.1	112
Debt instrument at FVOCI – change in fair value	10	658
<i>Items that may be reclassified to profit or loss</i>		
Cash flow hedges – reclassified to profit or loss		(119,980)
Cash flow hedges – effective portion of changes in fair value of derivative financial instruments		(512,475)
Other comprehensive (loss)/income for the period		(631,685)
Total comprehensive income for the period		131,494
Profit for the period attributable to		
- Owners of the Company		743,760
- Non-controlling interests		19,419
		763,179
Total comprehensive income for the period attributable to		
- Owners of the Company		412,111
- Non-controlling interests		(280,617)
		131,494
Earnings per share		
Basic and diluted earnings per share (AED)	35	0.015

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

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Condensed consolidated interim statement of changes in equity

	Attributable to the Owners						Non-controlling interests AED'000	Total equity AED'000
	Share capital AED'000	Capital contribution AED'000	General reserve AED'000	Statutory reserve AED'000	Hedging reserve AED'000	Retained earnings AED'000		
At 1 January 2022 (Audited)	500,000	40,037,040	53,343,435	355,467	(1,236,145)	-	92,999,797	591,911
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	734,510	734,510	(43,855)
Other comprehensive income for the period	-	-	-	-	1,082,404	-	1,082,404	953,917
Total comprehensive income for the period	-	-	-	-	1,082,404	734,510	1,816,914	910,062
Transfer to general reserve	-	-	643,423	-	-	(643,423)	-	-
Transfer to statutory reserve	-	-	-	91,087	-	(91,087)	-	-
<i>Transactions with the Owners</i>								
Capital contribution by Government of Dubai – value of land (net)	-	61,679	-	-	-	-	61,679	-
Dividends (refer note 34)	-	-	(10,000,000)	-	-	-	(10,000,000)	(150,931)
Transfer to retained earnings	-	-	(43,986,858)	-	-	43,986,858	-	-
At 31 March 2022 (Unaudited)	500,000	40,098,719	-	446,554	(153,741)	43,986,858	84,878,390	1,351,042
								86,229,432

The notes on pages 8 to 36 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	General reserve 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
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	743,760	743,760	19,419
Other comprehensive loss for the period	-	-	-	-	(332,080)	431	(331,649)	(300,036)
Total comprehensive income for the period	-	-	-	-	(332,080)	744,491	412,111	(280,617)
Transactions with the Owners								
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	188,032
Dividends (refer note 34)	-	-	-	-	-	-	-	(187,810)
At 31 March 2023 (Unaudited)	500,000	40,042,885	-	591,346	622,167	48,083,353	89,839,451	2,672,735
								92,512,186

The notes on pages 8 to 36 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 three month period ended 31 March	
	2023	2022
	AED'000 (Unaudited)	AED'000 (Unaudited)
<i>Net cash generated from operating activities</i>	32	2,575,570
Investing activities		
Purchase of property, plant and equipment net of movements in trade payables and other long-term liabilities		(1,794,175)
Deposits with original maturity of greater than three months – placed during the period		(819,728)
Deposits with original maturity of greater than three months – matured during the period		43,849
Additions to investment property		(5,315)
Purchase of intangible assets	7	(1,970)
Movement in other financial assets	13	(16,668)
Interest received		119,925
Proceeds from disposal of property, plant and equipment		127
<i>Net cash used in investing activities</i>		(2,473,955)
		(3,281,200)
Financing activities		
Repayments of borrowings		(1,499,674)
Proceeds from borrowings		318,398
Interest paid		(561,008)
Payment of lease liabilities		(3,391)
Capital contribution by non-controlling interest		188,032
Dividend paid to the Owner		-
Dividend paid to non-controlling interests in a subsidiary		(10,000,000)
<i>Net cash (used in)/generated from financing activities</i>		(810)
		(1,558,453)
<i>Net decrease in cash and cash equivalents</i>		(1,456,838)
Cash and cash equivalents, beginning of period	17	4,722,296
<i>Cash and cash equivalents, end of period</i>	17	3,265,458
Material non-cash transactions:		
- Net transfer of land to the Group recorded through equity amounting to AED Nil (<i>for three month period ended 31 March 2022: AED 62 million</i>) (refer note 6).		(357,185)
		4,972,048
		4,614,863

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 36 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 three month period ended 31 March 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 before listing	Ownership after listing
Department of Finance (DoF), Government of Dubai	100%	82%
Local and international investors (including institutional and retail investors)	-	18%
	100%	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
	31 March 2023	31 December 2022	
	(Unaudited)	(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 three month period ended 30 March 2023 (unaudited)

1 Establishment and operations (*continued*)

Name of the entity	Percentage of beneficial ownership		Principal business activities
	31 March 2023	31 December 2022	
	(Unaudited)	(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 three month period ended 31 March 2023 (unaudited)

1 Establishment and operations (*continued*)

Name of the entity	Percentage of beneficial ownership		Principal business activities
	31 March 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 center 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 three month period ended 31 March 2023 (unaudited)

2 Summary of significant accounting policies

The principal accounting policies applied by the Group in the preparation of this 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

The condensed consolidated interim financial information for the three month period ended 31 March 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 three month period ended 31 March 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 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.

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.

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the three month period ended 31 March 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 as at 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 three month period ended 31 March 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 for the year ended 31 December 2022.

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 the same industries.

31 March 2023 (Unaudited)	DEWA	EMPOWER	IPP	Others	Eliminations	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Segment assets						
Non-current assets	134,730,904	7,784,947	31,107,441	2,510,083	(17,207,443)	158,925,932
Current assets	14,424,316	1,967,522	2,718,635	4,120,656	(1,975,547)	21,255,582
Total assets	149,155,220	9,752,469	33,826,076	6,630,739	(19,182,990)	180,181,514
Segment liabilities						
Non-current liabilities	48,574,788	4,872,933	28,222,164	135,358	(11,876,171)	69,929,072
Current liabilities	12,345,108	2,101,665	2,850,145	3,487,176	(3,073,755)	17,710,339
Regulatory deferral-account credit balance	29,917	-	-	-	-	29,917
Total liabilities and regulatory deferral account-credit balance	60,949,813	6,974,598	31,072,309	3,622,534	(14,949,926)	87,669,328
Net segment assets	88,205,407	2,777,871	2,753,767	3,008,205	(4,233,064)	92,512,186
31 December 2022 (Audited)	DEWA	EMPOWER	IPP	Others	Eliminations	Total
	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	14,825,858	1,878,874	2,825,200	4,133,381	(1,429,135)	22,234,178
Total assets	146,937,328	9,654,975	33,841,260	6,327,932	(16,012,718)	180,748,777
Segment liabilities						
Non-current liabilities	47,483,807	4,859,945	27,933,985	135,690	(9,254,325)	71,159,102
Current liabilities	12,059,406	1,760,288	2,597,068	3,237,266	(2,540,166)	17,113,862
Regulatory deferral-account credit balance	95,343	-	-	-	-	95,343
Total liabilities and regulatory deferral account-credit balance	59,638,556	6,620,233	30,531,053	3,372,956	(11,794,491)	88,368,307
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 three month period ended 31 March 2023 (unaudited)

5 Segment reporting (continued)

Other segment information

31 March 2023 (Unaudited)	DEWA	EMPOWER	IPP	Others	Eliminations	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Revenue	4,934,009	494,274	373,835	308,533	(674,837)	5,435,814
Cost of sales	(3,580,471)	(239,883)	(303,551)	(198,503)	422,303	(3,900,105)
Gross profit	1,353,538	254,391	70,284	110,030	(252,534)	1,535,709
Other income	264,443	1,198	17,468	4,376	(242,948)	44,537
Credit impairment losses	(1,049)	-	-	(428)	-	(1,477)
Administrative expenses	(684,251)	(54,737)	(20,683)	(93,573)	166,193	(687,051)
Operating profit	932,681	200,852	67,069	20,405	(329,289)	891,718
Finance income	118,663	17,530	59,167	38,242	(31,299)	202,303
Finance costs	(210,134)	(51,023)	(237,446)	(7,831)	110,166	(396,268)
Finance (costs)/income – net	(91,471)	(33,493)	(178,279)	30,411	78,867	(193,965)
Net movement in regulatory deferral account-credit balance	65,426	-	-	-	-	65,426
Profit/(loss) for the period	906,636	167,359	(111,210)	50,816	(250,422)	763,179
Other comprehensive income/(loss)	-	770	(632,455)	-	-	(631,685)
Total comprehensive income/(loss) for the period	906,636	168,129	(743,665)	50,816	(250,422)	131,494
31 March 2022 (Unaudited)	DEWA	EMPOWER	IPP	Others	Eliminations	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Revenue	4,595,920	466,271	273,833	227,924	(496,147)	5,067,801
Cost of sales	(3,355,238)	(230,718)	(165,724)	(137,561)	266,220	(3,623,021)
Gross profit	1,240,682	235,553	108,109	90,363	(229,927)	1,444,780
Other income	450,793	1,496	16,165	15,156	(350,695)	132,915
Credit impairment reversal	2,388	-	-	669	-	3,057
Administrative expenses	(855,868)	(51,942)	(5,664)	(102,797)	313,448	(702,823)
Operating profit	837,995	185,107	118,610	3,391	(267,174)	877,929
Finance income	38,274	2,864	-	29,111	(29,496)	40,753
Finance costs	(118,920)	(6,686)	(353,191)	(7,889)	105,136	(381,550)
Finance (costs)/income – net	(80,646)	(3,822)	(353,191)	21,222	75,640	(340,797)
Net movement in regulatory deferral account-credit balance	153,523	-	-	-	-	153,523
Profit/(loss) for the period	910,872	181,285	(234,581)	24,613	(191,534)	690,655
Other comprehensive income/(loss)	-	(2,493)	2,038,814	-	-	2,036,321
Total comprehensive income for the period	910,872	178,792	1,804,233	24,613	(191,534)	2,726,976

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the three month period ended 31 March 2023 (unaudited)

5 Segment reporting (continued)

Other segment information

	DEWA	EMPOWER	IPP	Others	Eliminations	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
31 March 2023 (Unaudited)						
Capital expenditure (property, plant and equipment)	1,185,492	99,762	782,056	22,180	-	2,089,490
Depreciation (property, plant and equipment)	1,186,625	85,359	84,711	25,791	(2,877)	1,379,609
31 December 2022 (Audited)	DEWA	EMPOWER	IPP	Others	Eliminations	Total
	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 three month period ended 31 March 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 – net	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 charge	(365,773)	(12,827)	(2,048,742)	(2,620,607)	(326,790)	-	(5,374,739)
Closing net book amount (Audited)	<u>39,331,768</u>	<u>34,824</u>	<u>33,631,921</u>	<u>50,563,201</u>	<u>697,548</u>	<u>29,770,149</u>	<u>154,029,411</u>
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)	<u>39,331,768</u>	<u>34,824</u>	<u>33,631,921</u>	<u>50,563,201</u>	<u>697,548</u>	<u>29,770,149</u>	<u>154,029,411</u>
Period ended 31 March 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 – net	338	1,436	473	300	41,940	2,045,003	2,089,490
Transfers	36,592	-	6,626,932	352,986	15,358	(7,031,868)	-
Transfers to intangible assets (refer note 7)	-	-	-	-	-	(385)	(385)
Disposals – net	-	-	-	-	-	-	-
Depreciation charge	(87,266)	(3,236)	(552,325)	(658,462)	(78,320)	-	(1,379,609)
Closing net book amount (Unaudited)	<u>39,281,432</u>	<u>33,024</u>	<u>39,707,001</u>	<u>50,258,025</u>	<u>676,526</u>	<u>24,782,899</u>	<u>154,738,907</u>
At 31 March 2023							
Cost	43,636,986	66,114	62,115,895	78,423,054	3,519,193	24,782,899	212,544,141
Accumulated depreciation	(4,355,554)	(33,090)	(22,408,894)	(28,165,029)	(2,842,667)	-	(57,805,234)
Net book amount (Unaudited)	<u>39,281,432</u>	<u>33,024</u>	<u>39,707,001</u>	<u>50,258,025</u>	<u>676,526</u>	<u>24,782,899</u>	<u>154,738,907</u>

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the three month period ended 31 March 2023 (unaudited)

6 Property, plant and equipment (continued)

(a) The Group has engaged in a joint operation pertaining to Emirates National Grid Corporation (“ENGCO”). The Group’s share in the carrying amount of ENGCO’s assets as at 31 March 2023 is AED 107 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 184 million (31 December 2022: AED 1,164 million) (refer note 30).

(f) Right-of-use assets mainly represents vehicles and other equipment as of the reporting date.

(g) During the period, the Group recorded land received from the Land Department of the Government of Dubai amounting to AED Nil (31 December 2022: AED 65 million (net)).

(h) Depreciation is allocated as detailed below:

	For the three month period ended 31 March	
	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited)
Cost of sales		
- Generation and desalination expenditure (refer note 27.1)	583,558	552,851
- Transmission and distribution expenditure (refer note 27.2)	726,045	675,121
Administrative expenses (refer note 28)	70,006	73,989
	1,379,609	1,301,961

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the three month period ended 31 March 2023 (unaudited)

7 Intangible assets

	Computer software AED'000	Others AED'000	Total AED'000
Period ended 31 March 2023			
Opening net book amount (Audited)	118,984	352,139	471,123
Additions	1,970	-	1,970
Transfer from property, plant and equipment (refer note 6)	385	-	385
Amortisation (refer note 28)	(14,329)	(3,039)	(17,368)
Closing net book amount (Unaudited)	107,010	349,100	456,110
At 31 March 2023			
Cost	553,728	364,696	918,424
Accumulated amortisation	(446,718)	(15,596)	(462,314)
Net book amount (Unaudited)	107,010	349,100	456,110
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 (refer note 28)	(74,579)	(12,157)	(86,736)
Closing net book amount (Audited)	118,984	352,139	471,123
At 31 December 2022			
Cost	551,373	364,696	916,069
Accumulated amortisation	(432,389)	(12,557)	(444,946)
Net book amount (Audited)	118,984	352,139	471,123

During the current period, amortisation expense of AED 17.4 million (*for the three month period ended 31 March 2022: AED 19.9 million*) is included in cost of sales and administrative expenses (refer note 27 and 28).

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the three month period ended 31 March 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.

Movement of investments in joint ventures

	31 March 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
At the beginning of the period/year	640	640
Additions during the period/year	-	-
Disposal during the period/year	-	-
Share of profit from joint ventures	-	-
Less: provision made during the period/year	-	-
At the end of the period/year	<u>640</u>	<u>640</u>

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	31 March 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	<u>150</u>	<u>150</u>
				<u>640</u>	<u>640</u>

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. Net unrealised loss of AED 512 million (*for the three month period ended 31 March 2022: gain of AED 1,938 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 year end.

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the three month period ended 31 March 2023 (unaudited)

9 Derivative financial instruments (continued)

Description of the hedged item	Hedging instrument	Notional amount AED'000	Positive fair value AED'000	Negative fair value AED'000
31 March 2023 (Unaudited):				
Interest payments on floating rate loans	Interest rate swap	<u>21,608,070</u>	<u>1,244,750</u>	<u>94,996</u>
31 December 2022 (Audited):				
Interest payments on floating rate loans	Interest rate swap	<u>31,125,023</u>	<u>1,786,908</u>	<u>4,578</u>

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
31 March 2023 (Unaudited)				
Assets measured at fair value				
Derivative financial instruments (non-current portion)	-	<u>770,611</u>	-	<u>770,611</u>
Derivative financial instruments (current portion)	-	<u>474,139</u>	-	<u>474,139</u>
Liabilities measured at fair value				
Derivative financial instruments (non-current portion)	-	<u>47,509</u>	-	<u>47,509</u>
Derivative financial instruments (current portion)	-	<u>47,487</u>	-	<u>47,487</u>
31 December 2022 (Audited)				
Assets measured at fair value				
Derivative financial instruments (non-current portion)	-	<u>1,294,802</u>	-	<u>1,294,802</u>
Derivative financial instruments (current portion)	-	<u>492,106</u>	-	<u>492,106</u>
Liabilities measured at fair value				
Derivative financial instruments (non-current portion)	-	<u>4,578</u>	-	<u>4,578</u>
Derivative financial instruments (current portion)	-	-	-	-

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 three month period ended 31 March 2023 (unaudited)

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

	31 March 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	658	(5,202)
At the end of the period/year	<u>53,569</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 658 thousand (31 December 2022: loss of AED 5 million).

11 Investment properties

	31 March 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Property under development	<u>78,174</u>	<u>72,859</u>

The movement in property under development is as follows:

	31 March 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
At the beginning of the period/year (Audited)	72,859	-
Additions	5,315	-
Reclassification from property, plant and equipment (refer note 6)	-	72,859
At the end of the period/year	<u>78,174</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 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 properties from property, plant and equipment (refer note 6).

The investment property is under construction which is expected to be completed in 2023. 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 three month period ended 31 March 2023 (unaudited)

12 Other assets

	31 March 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Advance to suppliers	1,146,614	1,222,498
Prepayments	61,452	44,244
	<hr/>	<hr/>
Less: non-current portion	1,208,066	1,266,742
Current portion	(1,085,681)	(1,134,897)
	<hr/>	<hr/>
	122,385	131,845

13 Other financial assets

	31 March 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
UAE National Bonds and Sukuk Bonds	1,057,806	1,041,138
Other receivables	3,739,540	3,598,489
Less: provision for impairment on other receivables	(47,913)	(47,913)
	<hr/>	<hr/>
Less: non-current portion	4,749,433	4,591,714
Current portion	(1,742,240)	(1,457,956)
	<hr/>	<hr/>
	3,007,193	3,133,758

Other financial assets include investment in UAE National Bonds and Sukuk Bonds amounting to AED 1,058 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 includes housing and sewerage fee receivable on behalf of a related party and interest receivable on bank deposits. As at 31 March 2023, other receivables amounting to AED 3,692 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

	31 March 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Consumables and repair spares	687,171	657,301
Less: provision for slow moving and obsolete inventory	(222,692)	(220,021)
	<hr/>	<hr/>
Fuel	464,479	437,280
	<hr/>	<hr/>
	1,003,232	1,007,936
	<hr/>	<hr/>
	1,467,711	1,445,216

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the three month period ended 31 March 2023 (*unaudited*)

14 Inventories (continued)

14.1 Movement in provision for slow moving and obsolete inventory

	31 March 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	2,671	14,368
At the end of the period/year	222,692	220,021

15 Trade receivables

	31 March 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Trade receivables	3,458,985	3,737,908
Accrued revenue	1,130,552	1,040,500
Less: provision for impairment of receivables	(568,550)	(567,073)
Trade receivables and accrued revenue – net	4,020,987	4,211,335

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

	31 March 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)	1,477	144,529
At the end of the period/year	568,550	567,073

The carrying amount of the Group's trade receivables is primarily denominated in AED and approximates its fair value. There has been no changes to ECL model assumptions.

16 Short-term deposits

	31 March 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Term deposits with banks	8,308,381	7,532,503

Term deposits amounting to AED 8,308 million (31 December 2022: AED 7,533 million) carries an interest ranging from 1.5% to 4.7% per annum (31 December 2022: 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 three month period ended 31 March 2023 (unaudited)

17 Cash and cash equivalents

	31 March 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Current and call accounts and short-term deposits	3,853,695	5,286,848
Cash on hand	1,091	567
	<u>3,854,786</u>	<u>5,287,415</u>

Cash and cash equivalents include AED 1,009 million (31 December 2022: AED 1,660 million) in foreign currencies. The majority of these balances are denominated in USD. These balances are held for settlement of existing and anticipated liabilities denominated in foreign currencies.

Cash and cash equivalents also include AED 269 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:

	31 March 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Cash and cash equivalents	3,854,786	5,287,415
Bank overdrafts (refer note 19)	(589,328)	(565,119)
Cash and cash equivalents for the purpose of cash flows	<u>3,265,458</u>	<u>4,722,296</u>

18 Equity

(a) Share capital

In the prior years, an amount of AED 500 million had been transferred to share capital account from capital contribution. 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 the Authority consists of authorised and paid-up capital of AED 500 million as of 31 March 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 three month period ended 31 March 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

	31 March 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Non-current		
Others (i)	29,238,889	29,042,475
Long-term loan (ii)	6,884,199	8,275,500
	36,123,088	37,317,975
Current		
Bank overdrafts (refer note 19)	589,328	565,119
Others (i)	2,839,803	2,806,735
	3,429,131	3,371,854
	39,552,219	40,689,829

Borrowings are denominated in the following currencies:

	31 March 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
US Dollars	25,662,797	25,432,234
UAE Dirham	13,889,422	15,257,595
	39,552,219	40,689,829

The borrowing balance is net off deferred borrowing cost amounting to AED 703 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 three month period ended 31 March 2023 (unaudited)

19 Borrowings (continued)

The Group has secured borrowings amounting to AED 27,588 million (31 December 2022: AED 27,360 million) and unsecured borrowings amounting to AED 11,964 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 loans represent 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) Long-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 carries interest at 1-month EIBOR + 0.7%. The term of the loan is five years and repayable in full upon its maturity. However, during the period, the Authority has repaid AED 1,400 million (2022: AED 1,700 million) of the loan.

20 Retirement benefit obligations

	31 March 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Provision for employees' end of service benefits (refer note 20.1)	959,294	948,333
Provision for pensions (refer note 20.2)	72,512	74,088
	1,031,806	1,022,421
Less: non-current portion	(1,020,236)	(1,010,493)
Current portion (refer note 23)	11,570	11,928

20.1 Provision for employees' end of service benefits

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

	31 March 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)	22,478	132,870
Re-measurements (refer note 31)	(112)	(70,468)
Payments made during the period/year	(11,405)	(51,630)
At the end of the period/year	959,294	948,333

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the three month period ended 31 March 2023 (unaudited)

20 Retirement benefit obligations (*continued*)

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:

	31 March 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
At the beginning of the period/year	62,160	71,343
Reversal during the year	-	(4,270)
Payments made during the period/year	(1,218)	(4,913)
At the end of the period/year	<u>60,942</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:

	31 March 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)	31,169	118,122
Payments made during the period/year	(31,527)	(117,868)
At the end of the period/year	<u>11,570</u>	<u>11,928</u>

Total provision for pension has been presented as follow:

	31 March 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)	31,169	118,122
Reversal during the year	-	(4,270)
Payments made during the period/year	(32,745)	(122,781)
At the end of the period/year	<u>72,512</u>	<u>74,088</u>

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the three month period ended 31 March 2023 (unaudited)

21 Lease liabilities

	31 March 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	1,436	46,930
Modification	-	(13,019)
Payments made during the period/year	(3,391)	(12,451)
At the end of the period/year	34,457	36,412
Less: current portion	(13,286)	(12,884)
Non-current portion	<u>21,171</u>	<u>23,528</u>

22 Other long term liabilities

	31 March 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Deferred revenue	25,088,943	24,940,693
Asset retirement obligations	227,531	181,917
Advance for new connections	6,584,760	6,873,698
Retentions payable	815,834	806,220
	<u>32,717,068</u>	<u>32,802,528</u>

23 Trade and other payables

	31 March 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Consumers' security deposits	4,368,937	4,231,833
Capital projects payables	2,057,572	2,009,818
Trade payables	1,739,597	1,214,643
Retentions payable	1,263,938	1,349,502
Deferred revenue	1,466,120	1,374,793
Advances for new connections	346,566	361,774
Accrual for staff benefits	244,044	278,592
Retirement benefit obligations (refer note 20)	11,570	11,928
Other payables	<u>2,722,091</u>	<u>2,896,241</u>
	<u>14,220,435</u>	<u>13,729,124</u>

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
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24 Regulatory deferral account-credit balance

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:

	31 March 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	(65,426)	(283,681)
At the end of the period/year	<u>29,917</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'.

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 these consolidated financial information.

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the three month period ended 31 March 2023 (unaudited)

25 Related party transactions and balances (continued)

Related party transactions (continued)

(a) Sale of electricity and water

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 25 million (*for the three month period ended 31 March 2022: AED 21 million*) in respect of handling charges on behalf of a related party (refer note 26).

(b) 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 1,397 million (*for the three month period ended 31 March 2022: AED 1,353 million*) from various entities.

During the current period, the Group purchased water amounting to AED 351 thousand (*for the three month period ended 31 March 2022: AED 1 million*) from a related party of the Group.

(c) 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 three month period ended 31 March	
	2023	2022
	AED'000	AED'000
(d) Compensation to key management personnel	(Unaudited)	(Unaudited)
Salaries and short-term benefits	74,459	50,257
Post-employment benefits and long term benefits	604	630
	<u>75,063</u>	<u>50,887</u>
For the three month period ended 31 March		
(e) Key management remuneration	2023	2022
	AED'000	AED'000
	(Unaudited)	(Unaudited)
Board of directors' remuneration	<u>9,875</u>	<u>33,446</u>
(f) 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 2023 and 2022.

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the three month period ended 31 March 2023 (unaudited)

26 Revenue

	For the three month period ended 31 March	
	2023	2022
	AED'000 (Unaudited)	AED'000 (Unaudited)
Sale of electricity	3,179,433	2,965,489
Sale of water	1,270,772	1,188,169
District cooling charges	487,329	465,887
Others	498,280	448,256
	5,435,814	5,067,801

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 25 million (*for the three month period ended 31 March 2022: AED 21 million*) represents amounts paid by government related entities to the Group for providing collection services (refer note 25).
- Amortisation of deferred revenue amounted to AED 262 million (*for the three month period ended 31 March 2022: AED 244 million*).

26.1 Disaggregation of revenue

Timing of revenue recognition	Electricity		Water		District cooling charges		Others		Total	
	31 March	31 March	31 March	31 March	31 March	31 March				
	AED'000 (Unaudited)	AED'000 (Unaudited)	AED'000 (Unaudited)	AED'000 (Unaudited)	AED'000 (Unaudited)	AED'000 (Unaudited)	AED'000 (Unaudited)	AED'000 (Unaudited)	AED'000 (Unaudited)	AED'000 (Unaudited)
Products and services transferred										
- at a point in time	3,179,433	2,965,489	1,270,772	1,188,169	487,329	465,887	235,888	204,460	5,173,422	4,824,005
- over time	-	-	-	-	-	-	262,392	243,796	262,392	243,796
	3,179,433	2,965,489	1,270,772	1,188,169	487,329	465,887	498,280	448,256	5,435,814	5,067,801

27 Cost of sales

	For the three month period ended 31 March	
	2023	2022
	AED'000 (Unaudited)	AED'000 (Unaudited)
Generation and desalination expenditure (refer note 27.1)	2,655,486	2,431,814
Transmission and distribution expenditure (refer note 27.2)	1,193,469	1,115,731
Purchase of gas, power and water	51,150	75,476
	3,900,105	3,623,021

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the three month period ended 31 March 2023 (unaudited)

27 Cost of sales (continued)

27.1 Generation and desalination expenditure

	For the three month period ended 31 March	
	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited)
Fuel costs	1,378,892	1,350,986
Depreciation (refer note 6)	583,558	552,851
Employee benefit expenses (refer note 31)	169,534	138,199
Repairs and maintenance	104,639	118,939
Amortisation (refer note 7)	3,039	3,039
Others	415,824	267,800
	<u>2,655,486</u>	<u>2,431,814</u>

27.2 Transmission and distribution expenditure

	For the three month period ended 31 March	
	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited)
Depreciation (refer note 6)	726,045	675,121
Employee benefit expenses (refer note 31)	410,506	354,661
Repairs and maintenance	39,255	67,782
Others	17,663	18,167
	<u>1,193,469</u>	<u>1,115,731</u>

28 Administrative expenses

	For the three month period ended 31 March	
	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited)
Employee benefit expenses (refer note 31)	429,095	384,313
Repairs and maintenance	72,791	88,428
Depreciation (refer note 6)	70,006	73,989
Amortisation (refer note 7)	14,329	16,904
Insurance	23,627	19,826
Others	77,203	119,363
	<u>687,051</u>	<u>702,823</u>

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29 Credit impairment losses

	For the three month period ended 31 March	
	2023	2022
	AED'000 (Unaudited)	AED'000 (Unaudited)
Impairment (loss)/reversal on trade receivables (refer note 15)	<u>(1,477)</u>	<u>3,057</u>

30 Finance (costs)/income – net

	For the three month period ended 31 March	
	2023	2022
	AED'000 (Unaudited)	AED'000 (Unaudited)
<i>Finance costs</i>		
Interest on bank and other borrowings	<u>(571,727)</u>	<u>(452,718)</u>
Amortisation of arrangement fees	<u>(8,699)</u>	<u>-</u>
Cash flow hedges – ineffective portion of changes in fair value of derivative financial instruments	<u>(121)</u>	<u>(194,140)</u>
Interest on lease liabilities	<u>(39)</u>	<u>(147)</u>
Amounts capitalised (refer note 6)	<u>(580,586)</u>	<u>(647,005)</u>
	<u>184,318</u>	<u>265,455</u>
	<u>(396,268)</u>	<u>(381,550)</u>
<i>Finance income</i>		
Interest income on short term bank deposits	<u>182,962</u>	<u>36,178</u>
Amortisation of financial liability	<u>14,000</u>	<u>-</u>
Interest income on financial assets	<u>5,341</u>	<u>4,575</u>
Finance costs – net	<u>202,303</u>	<u>40,753</u>
	<u>(193,965)</u>	<u>(340,797)</u>

31 Employee benefit expenses

	For the three month period ended 31 March	
	2023	2022
	AED'000 (Unaudited)	AED'000 (Unaudited)
<i>Salaries</i>		
Salaries	<u>656,941</u>	<u>619,113</u>
Bonus	<u>148,532</u>	<u>56,272</u>
Retirement benefit obligations (refer note 20)	<u>53,685</u>	<u>50,552</u>
Other benefits	<u>149,977</u>	<u>151,236</u>
	<u>1,009,135</u>	<u>877,173</u>

Dubai Electricity and Water Authority (PJSC) and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the three month period ended 31 March 2023 (unaudited)

32 Cash generated from operating activities

Note	For the three month period ended 31 March	
	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited)
Operating activities		
Profit for the period	763,179	690,655
<i>Adjustments for:</i>		
Depreciation	6 1,379,609	1,301,961
Amortisation	7 17,368	19,943
Provision for slow moving and obsolete inventory	14 2,671	4,600
Amortisation – asset retirement obligations		1,262
Charge/(reversal) for impairment of trade receivables	29 1,477	(3,057)
Deferred income	26 (262,392)	(243,796)
Retirement benefit obligations – gratuity	20.1 22,478	21,914
Retirement benefit obligations – pensions	20.2 31,169	28,638
Ineffective portion on derivative financial instruments	9 121	194,140
Gain on sale of property, plant and equipment		(45)
Finance income	30 (202,303)	(40,753)
Finance costs	30 396,147	187,410
<i>Operating cash flows before changes in operating assets and liabilities</i>	2,150,728	2,162,872
<i>Changes in operating assets and liabilities:</i>		
Inventories	14 (25,167)	11,424
Trade receivables	15 188,871	(735,861)
Other financial assets	13 (72,673)	229,112
Other assets	12 58,676	58,901
Trade and other payables		483,251
Movement in regulatory deferral account-credit balance	24 (65,426)	(153,523)
<i>Net operating cash flows</i>	2,619,720	2,056,176
Payment for retirement benefit obligations – gratuity	20.1 (11,405)	(11,057)
Payment for retirement benefit obligations – pensions	20.2 (32,745)	(29,514)
<i>Net cash generated from operating activities</i>	2,575,570	2,015,605

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33 Commitments

	31 March 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Future commitments including capital expenditures	<u>10,600,776</u>	<u>11,106,413</u>

34 Dividend

During the current period, EMPOWER declared a dividend of AED 425 million (*31 December 2022: AED 3,400 million*). An amount of AED 187 million (*31 December 2022: AED 1,020 million*) was payable to the non-controlling interest as dividend.

35 Earnings per share/diluted share

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

	For the three month period ended 31 March	
	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited)
	Earnings	
Profit for the period, attributable to the shareholders of the Company	<u>743,760</u>	<u>734,510</u>
	2023 (Unaudited)	2022 (Unaudited)
Number of shares in thousands		
Number of ordinary shares for basic earnings per share at 31 March	<u>50,000,000</u>	<u>50,000,000</u>
Earnings per share		
Basic and diluted earnings per share (AED)	<u>0.015</u>	<u>0.015</u>
For the three month period ended 31 March		
	2023 (Unaudited)	2022 (Unaudited)

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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.

As at 31 December 2022, the Law was not considered to be substantively enacted from the perspective of IAS 12 – Income Taxes since the threshold of income over which the 9% tax rate would apply and other clarifications were yet to be prescribed by way of Cabinet Decisions.

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 three month period ended 31 March 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 event

Subsequent to the period end, on 10 April 2023 the Shareholders in the Annual General Meeting of the Authority approved a final dividend for the year ended 31 December 2022 amounting to AED 3,100 million and a special one time dividend of AED 1,670 million, as recommended by the Board of Directors of the Authority, but not recognised as a liability at the period end.