

Dubai Electricity and Water  
Authority (PJSC)  
*(formerly Dubai Electricity and Water Authority)*

Condensed consolidated interim  
financial information  
*for the six month period ended  
30 June 2022 (unaudited)*

# Dubai Electricity and Water Authority (PJSC)

## Condensed consolidated interim financial information *for the six month period ended 30 June 2022 (unaudited)*

<b><i>Contents</i></b>	<b>Pages</b>
Independent auditors' report on review of condensed consolidated interim financial information	1 - 2
Condensed consolidated interim statement of financial position	3
Condensed consolidated interim statement of profit or loss and other comprehensive income	4
Condensed consolidated interim statement of changes in equity	5 - 6
Condensed consolidated interim statement of cash flows	7
Notes to the condensed consolidated interim financial information	8 - 38



KPMG Lower Gulf Limited  
The Offices 5 at One Central  
Level 4, Office No: 04.01  
Sheikh Zayed Road, P.O. Box 3800  
Dubai, United Arab Emirates  
Tel. +971 (4) 4030300, [www.kpmg.com/ae](http://www.kpmg.com/ae)

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

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

## Introduction

We have reviewed the accompanying 30 June 2022 condensed consolidated interim financial information of Dubai Electricity and Water Authority (PJSC) (*formerly Dubai Electricity and Water Authority*) ("DEWA" or "the Authority" or "the Company") and its subsidiaries ("the Group"), which comprise:

- the condensed consolidated interim statement of financial position as at 30 June 2022;
- the condensed consolidated interim statements of profit or loss and other comprehensive income for the three month and six month periods ended 30 June 2022;
- the condensed consolidated interim statement of changes in equity for the six month period ended 30 June 2022;
- the condensed consolidated interim statement of cash flows for the six month period ended 30 June 2022; 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.



## Scope of Review

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

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2022 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: **11 AUG 2022**

# Dubai Electricity and Water Authority (PJSC)

## Condensed consolidated interim statement of financial position as at

	Notes	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	152,387,197	149,472,061
Intangible assets	7	498,547	529,577
Investments accounted for using the equity method	8	640	640
Derivative financial instruments	20	994,316	10,645
Financial assets at fair value through other comprehensive income	9	54,120	58,113
Investment properties	10	59,047	-
Other assets	11	472,818	456,773
Other financial assets	12	1,169,423	1,223,569
<b>Total non-current assets</b>		<b>155,636,108</b>	<b>151,751,378</b>
<b>Current assets</b>			
Inventories	14	1,434,463	1,451,149
Other assets	11	1,005,167	1,001,724
Trade receivables	15	6,474,120	3,888,627
Other financial assets	12	2,197,679	2,149,528
Derivative financial instruments	20	65,200	-
Short-term deposits	16	5,693,884	4,798,864
Cash and cash equivalents	17	3,834,398	4,406,164
<b>Total current assets</b>		<b>20,704,911</b>	<b>17,696,056</b>
<b>Total assets</b>		<b>176,341,019</b>	<b>169,447,434</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	18	500,000	500,000
Capital contribution	18	40,102,267	40,037,040
General reserve	18	-	53,343,435
Retained earnings		46,189,436	-
Hedging reserve	18	477,789	(1,236,145)
Statutory reserve	18	654,289	355,467
		<b>87,923,781</b>	<b>92,999,797</b>
Non-controlling interests		<b>2,394,947</b>	<b>591,911</b>
<b>Total equity</b>		<b>90,318,728</b>	<b>93,591,708</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	19	33,909,584	23,325,798
Derivative financial instruments	20	163,764	2,259,830
Retirement benefit obligations	21	1,026,834	1,008,904
Lease liabilities	22	11,066	11,939
Other long term liabilities	23	31,768,697	31,499,170
<b>Total non-current liabilities</b>		<b>66,879,945</b>	<b>58,105,641</b>
<b>Current liabilities</b>			
Trade and other payables	24	14,604,533	13,781,679
Borrowings	19	4,479,530	3,430,072
Derivative financial instruments	20	32,639	156,297
Lease liabilities	22	3,258	3,013
<b>Total current liabilities</b>		<b>19,119,960</b>	<b>17,371,061</b>
<b>Total liabilities</b>		<b>85,999,905</b>	<b>75,476,702</b>
<b>Total equity and liabilities</b>		<b>176,318,633</b>	<b>169,068,410</b>
Regulatory deferral account - credit balance	25	22,386	379,024
<b>Total equity, liabilities and regulatory deferral account credit balance</b>		<b>176,341,019</b>	<b>169,447,434</b>

To the best of our knowledge, the condensed consolidated interim financial information fairly represents in all material respects, the financial position, results of operation and cash flows for the Group as of and for the six month period ended 30 June 2022.

The condensed consolidated interim financial information was approved and signed on behalf of the Board of Directors on **11 AUG 2022** by;



Director



Managing Director &  
Chief Executive Officer

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

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



# Dubai Electricity and Water Authority (PJSC)

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

		For the six month period ended 30 June		For the three month period ended 30 June	
	Notes	2022 AED'000 (Unaudited)	2021 AED'000 (Unaudited)	2022 AED'000 (Unaudited)	2021 AED'000 (Unaudited)
Revenue	26	12,076,945	10,532,643	7,009,144	6,128,710
Cost of sales	27	(7,817,256)	(7,155,413)	(4,194,235)	(3,869,691)
<b>Gross profit</b>		<b>4,259,689</b>	<b>3,377,230</b>	<b>2,814,909</b>	<b>2,259,019</b>
Administrative expenses	28	(1,369,543)	(1,379,005)	(666,720)	(638,755)
Credit impairment losses	29	(17,000)	(48,533)	(20,057)	(28,853)
Other income		270,725	339,841	137,810	220,513
<b>Operating profit</b>		<b>3,143,871</b>	<b>2,289,533</b>	<b>2,265,942</b>	<b>1,811,924</b>
Finance income	31	292,736	97,345	251,984	52,550
Finance costs	31	(492,031)	(169,193)	(110,482)	(89,655)
Finance (costs)/income – net	31	(199,295)	(71,848)	141,502	(37,105)
Share of profit/(loss) from investment in joint ventures	8	-	502	-	(2,909)
<b>Profit for the period before net movement in regulatory deferral account credit balance</b>		<b>2,944,576</b>	<b>2,218,187</b>	<b>2,407,444</b>	<b>1,771,910</b>
Net movement in regulatory deferral account - credit balance	25	356,638	264,241	203,115	131,977
<b>Profit for the period and net movement in regulatory deferral account - credit balance</b>		<b>3,301,214</b>	<b>2,482,428</b>	<b>2,610,559</b>	<b>1,903,887</b>
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurement of retirement benefit obligations		(1,883)	-	(1,883)	-
Debt instrument at FVOCI – change in fair value	9	(3,993)	1,406	(1,500)	-
<i>Items that may be reclassified to profit or loss</i>					
Hedging gains reclassified to profit or loss		168,412	182,208	67,297	92,286
Cash flow hedges – effective portion of changes in fair value of derivative financial instruments		3,093,495	957,857	1,155,796	(725,591)
Other comprehensive income for the period		3,256,031	1,141,471	1,219,710	(633,305)
<b>Total comprehensive income for the period</b>		<b>6,557,245</b>	<b>3,623,899</b>	<b>3,830,269</b>	<b>1,270,582</b>
<b>Profit for the period attributable to</b>					
- Owners of the Company		3,148,936	2,271,773	2,414,426	1,724,492
- Non-controlling interests		152,278	210,655	196,133	179,395
		<b>3,301,214</b>	<b>2,482,428</b>	<b>2,610,559</b>	<b>1,903,887</b>
<b>Total comprehensive income for the period attributable to</b>					
- Owners of the Company		4,858,757	2,872,495	3,041,843	1,387,623
- Non-controlling interests		1,698,488	751,404	788,426	(117,041)
		<b>6,557,245</b>	<b>3,623,899</b>	<b>3,830,269</b>	<b>1,270,582</b>
<b>Earnings per share</b>					
Basic earnings per share (AED)	36	0.063	0.045	0.048	0.034

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

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

# Dubai Electricity and Water Authority (PJSC)

## Condensed consolidated interim statement of changes in equity

	Attributable to the Owners						Non-controlling interests	Total equity
	Share capital AED'000	Capital contribution AED'000	General reserve AED'000	Statutory reserve AED'000	Hedging reserve AED'000	Retained earnings AED'000	AED'000	AED'000
<b>At 1 January 2022 (Audited)</b>	<b>500,000</b>	<b>40,037,040</b>	<b>53,343,435</b>	<b>355,467</b>	<b>(1,236,145)</b>	<b>-</b>	<b>92,999,797</b>	<b>93,591,708</b>
<b>Total comprehensive income for the period</b>								
Profit for the period	-	-	-	-	-	3,148,936	152,278	3,301,214
Other comprehensive income for the period	-	-	-	-	1,713,934	(4,113)	1,546,210	3,256,031
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,713,934</b>	<b>3,144,823</b>	<b>1,698,488</b>	<b>6,557,245</b>
Transfer to retained earnings (refer to note 18)	-	-	(43,343,435)	-	-	43,343,435	-	-
Transfer to statutory reserve	-	-	-	298,822	-	(298,822)	-	-
<b>Transactions with the Owners</b>								
Capital contribution by Government of Dubai – value of land (net)	-	65,227	-	-	-	-	-	65,227
Capital contribution by non-controlling interests	-	-	-	-	-	-	257,075	257,075
Dividends paid (refer note 35)	-	-	(10,000,000)	-	-	-	(152,527)	(10,152,527)
<b>At 30 June 2022 (Unaudited)</b>	<b>500,000</b>	<b>40,102,267</b>	<b>-</b>	<b>654,289</b>	<b>477,789</b>	<b>46,189,436</b>	<b>2,394,947</b>	<b>90,318,728</b>

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

# Dubai Electricity and Water Authority (PJSC)

## 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		
<b>At 1 January 2021 (Audited)</b>	-	39,829,878	52,239,576	352,103	(1,982,987)	-	90,438,570	90,021,579
<b>Total comprehensive income for the period</b>								
Profit for the period	-	-	-	-	-	2,271,773	210,655	2,482,428
Other comprehensive income for the period	-	-	-	-	600,722	-	540,749	1,141,471
<b>Total comprehensive income for the period</b>	-	-	-	-	600,722	2,271,773	751,404	3,623,899
Transfer to general reserve	-	-	1,941,445	-	-	(1,941,445)	-	-
<b>Transactions with the Owners</b>								
Capital contribution by Government of Dubai – value of land (net)	-	686,626	-	-	-	-	-	686,626
Dividends paid (refer note 35)	-	-	(1,000,000)	-	-	-	(93,571)	(1,093,571)
Non-cash distribution*	-	-	-	-	-	(330,328)	-	(330,328)
<b>At 30 June 2021 (Unaudited)</b>	-	40,516,504	53,181,021	352,103	(1,382,265)	-	240,842	92,908,205

\* The Group transferred an amount to the Government of Dubai account, as an appropriation of retained earnings, which is equivalent to the amount owed by the Government of Dubai to the Group

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



# Dubai Electricity and Water Authority (PJSC)

## Condensed consolidated interim statement of cash flows

	Note	For the six month period ended 30 June	
		2022 AED'000 (Unaudited)	2021 AED'000 (Unaudited)
<b>Net cash generated from operating activities</b>	33	<b>4,597,108</b>	3,892,839
<b>Investing activities</b>			
Purchase of property, plant and equipment net of movements in trade payables and other long-term liabilities		(5,168,924)	(6,604,413)
Deposits with original maturity of greater than three months – placed during the period		(1,965,428)	(1,792,724)
Deposits with original maturity of greater than three months – matured during the period		110,270	-
Purchase of intangible assets	7	(4,574)	(13,205)
Investment in a joint venture		-	(150)
Movement in other financial assets	12	(59,455)	(788)
Interest received		70,562	70,323
Proceeds from disposal of property, plant and equipment		223	282
<b>Net cash used in investing activities</b>		<b>(7,017,326)</b>	(8,340,675)
<b>Financing activities</b>			
Repayments of borrowings		(591,373)	(123,851)
Proceeds from borrowings		12,027,932	4,110,151
Capital contribution by non-controlling interests		257,075	-
Interest paid		(667,857)	(533,545)
Payment of lease liabilities		(2,448)	(3,800)
Dividend paid to the Government of Dubai		(10,000,000)	(1,000,000)
Dividends paid to non-controlling interests		(152,527)	(93,571)
<b>Net cash generated from financing activities</b>		<b>870,802</b>	2,355,384
<b>Net decrease in cash and cash equivalents</b>		<b>(1,549,416)</b>	(2,092,452)
Cash and cash equivalents, beginning of period	17	4,972,048	5,302,514
<b>Cash and cash equivalents, end of period</b>	17	<b>3,422,632</b>	3,210,062

Material non-cash transactions:

- Transfer of land to the Group by the Land Department of the Government of Dubai recorded through equity amounting to AED 65 million (*for six month period ended 30 June 2021: AED 687 million*) (refer note 6).
- During the period, non-cash distributions to the Government of Dubai amounted to AED Nil (*for six month period ended 30 June 2021: AED 330 million*) (refer note 18).

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

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

# Dubai Electricity and Water Authority (PJSC)

## Notes to the condensed consolidated interim financial information for the six month period ended 30 June 2022 (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 order to comply with the listing requirements, based on Decree under Law No. (27) of 2021 issued in The Official Gazette of Dubai Government on 29 December 2021, the legal status of the Authority had been amended to a Public Joint Stock Company, and hence the revised name of the Authority is “Dubai Electricity and Water Authority (PJSC)” (*formerly Dubai Electricity and Water Authority*). During the current period, Government of Dubai has sold 18% of its shareholding in the Authority through an Initial Public Offering (“IPO”). The Authority has been listed on the Dubai Financial Market (DFM) and its shares have started trading with effect from 12 April 2022.

As a result of listing, the ownership structure of the Authority has been changed as follows:

	Ownership before listing	Ownership after listing
Government of Dubai	100%	82%
Local and international investors (including institutional and retail investors)	-	18%
	<u>100%</u>	<u>100%</u>

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

Name of the entity	Percentage of beneficial ownership		Principal business activities
	30 June 2022 (Unaudited)	31 December 2021 (Audited)	
Al Etihad Energy Services Company LLC	100	100	Implement energy efficiency measures in buildings
Jumeirah Energy International Holdings LLC	100	100	Holding Company
Jumeirah Energy International LLC (JEIH)	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
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

# Dubai Electricity and Water Authority (PJSC)

Notes to the condensed consolidated interim financial information *(continued)*  
for the six month period ended 30 June 2022 (unaudited)

## 1 Establishment and operations (continued)

Name of the entity	Percentage of beneficial ownership		Principal business activities
	30 June 2022	31 December 2021	
	(Unaudited)	(Audited)	
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	85	85	Holding Company
Emirates Central Cooling Systems Corporation (EMPOWER)	70	70	Provision of district cooling services, management, maintenance of central cooling plants and related distribution networks
EMPOWER FM LLC	70	70	Air conditioning, ventilation and air filtration system, installation and maintenance
EMPOWER Engineering & Consultancy LLC	70	70	Project development consultant services
Palm Utilities LLC	70	70	Establish and operate district cooling projects and provide air conditioning, ventilator and refrigeration services
Palm District Cooling LLC (PDC)	70	70	Establish and operate district cooling projects and provide air conditioning, ventilator and refrigeration services.
EMPOWER Logstor LLC	67.9	67.9	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
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

# Dubai Electricity and Water Authority (PJSC)

Notes to the condensed consolidated interim financial information *(continued)*  
for the six month period ended 30 June 2022 (unaudited)

## 1 Establishment and operations (continued)

Name of the entity	Percentage of beneficial ownership		Principal business activities
	30 June 2022	31 December 2021	
	(Unaudited)	(Audited)	
Smart Energy X LLC	100	100	Establish and provide full range of services for parking management electronic systems installation and maintenance
Hassyan by Products LLC	100	100	Establish for sale of cement products trading, fly ash trading, cement and gypsum trading, repackaging and refilling services
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 colocation 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	70	70	Establish and operate district cooling projects and provide air-conditioning, ventilation and refrigeration services

# Dubai Electricity and Water Authority (PJSC)

Notes to the condensed consolidated interim financial information (*continued*)  
for the six month period ended 30 June 2022 (unaudited)

## 2 Summary of significant accounting policies

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

### 2.1 Basis of preparation

These condensed consolidated interim financial information for the six month period ended 30 June 2022 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 2021, as described in those financial statements, except for investment property (refer note 10) and 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 2021.

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 2021.

Results for the six month period ended 30 June 2022 are not necessarily indicative of the results that may be expected for the year ending 31 December 2022.

### 2.2 Basis of measurement

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

### 2.3 Use of estimates and judgments

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

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 2021.

# Dubai Electricity and Water Authority (PJSC)

Notes to the condensed consolidated interim financial information *(continued)*  
for the six month period ended 30 June 2022 (unaudited)

## **3 Financial risk management**

### **3.1 Financial risk factors**

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

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements. Accordingly, this condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2021. 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 2021, 44% of revenue accumulated in the first half of the year, with 56% accumulating in the second half.

# Dubai Electricity and Water Authority (PJSC)

Notes to the condensed consolidated interim financial information *(continued)*  
for the six month period ended 30 June 2022 (unaudited)

## 5 Segment reporting

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

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

	DEWA	EMPOWER	IPP	Others	Eliminations	Total
30 June 2022	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Segment assets	144,650,077	10,483,542	30,948,175	5,895,246	(15,636,021)	176,341,019
Segment liabilities	60,428,407	5,126,813	28,817,328	3,049,668	(11,399,925)	86,022,291
<b>Net segment assets/(liabilities)</b>	<b>84,221,670</b>	<b>5,356,729</b>	<b>2,130,847</b>	<b>2,845,578</b>	<b>(4,236,096)</b>	<b>90,318,728</b>
31 December 2021	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Segment assets	141,613,484	9,543,716	27,672,327	5,547,520	(14,929,613)	169,447,434
Segment liabilities	50,445,262	4,112,824	29,864,242	2,753,241	(11,319,843)	75,855,726
<b>Net segment assets/(liabilities)</b>	<b>91,168,222</b>	<b>5,430,892</b>	<b>(2,191,915)</b>	<b>2,794,279</b>	<b>(3,609,770)</b>	<b>93,591,708</b>
	DEWA	EMPOWER	IPP	Others	Eliminations	Total
30 June 2022	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Revenue	11,050,883	1,154,257	559,234	497,014	(1,184,443)	12,076,945
Profit/(loss) for the period	2,988,221	431,714	55,013	50,176	(223,910)	3,301,214
Other comprehensive income/(loss)	-	(5,876)	3,261,907	-	-	3,256,031
<b>Total comprehensive income for the period</b>	<b>2,988,221</b>	<b>425,838</b>	<b>3,316,920</b>	<b>50,176</b>	<b>(223,910)</b>	<b>6,557,245</b>
30 June 2021	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Revenue	9,558,547	993,114	441,342	408,161	(868,521)	10,532,643
Profit/(loss) for the period	2,139,177	389,119	200,931	30,123	(276,922)	2,482,428
Other comprehensive income	-	1,406	1,140,065	-	-	1,141,471
<b>Total comprehensive income for the period</b>	<b>2,139,177</b>	<b>390,525</b>	<b>1,340,996</b>	<b>30,123</b>	<b>(276,922)</b>	<b>3,623,899</b>

# Dubai Electricity and Water Authority (PJSC)

Notes to the condensed consolidated interim financial information *(continued)*  
for the six month period ended 30 June 2022 *(unaudited)*

## 5 Segment reporting (continued)

*Other segment information*

	DEWA	EMPOWER	IPP	Others	Eliminations	Total
30 June 2022	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Capital expenditure (property, plant and equipment)	2,438,536	181,588	2,929,095	63,132	-	5,612,351
Depreciation (property, plant and equipment)	2,320,665	159,411	114,959	41,328	(2,842)	2,633,521
	DEWA	EMPOWER	IPP	Others	Eliminations	Total
31 December 2021	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Capital expenditure (property, plant and equipment)	6,452,461	611,616	6,508,077	170,674	-	13,742,828
Depreciation (property, plant and equipment)	4,637,423	304,965	187,813	106,594	(5,113)	5,231,682



# Dubai Electricity and Water Authority (PJSC)

Notes to the condensed consolidated interim financial information *(continued)*  
for the six month period ended 30 June 2022 (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
<b>Year ended 31 December 2021</b>							
Opening net book amount (Audited)	37,410,151	19,104	28,753,496	45,972,583	816,177	28,027,895	140,999,406
Additions	693,610	1,071	263,234	666,583	70,964	12,047,366	13,742,828
Transfer to right of use assets	-	20,069	(20,069)	-	-	-	-
Reversal of impairment	-	-	-	-	-	32,328	32,328
Transfers	1,329,622	-	6,535,277	4,375,930	255,685	(12,496,514)	-
Transfers to intangible assets (refer note 7)	-	-	-	-	(453)	(66,631)	(67,084)
Disposals, net	(732)	-	(204)	(2,576)	(223)	-	(3,735)
Depreciation	(344,534)	(16,388)	(2,094,461)	(2,438,352)	(337,947)	-	(5,231,682)
<b>Closing net book amount (Audited)</b>	<b>39,088,117</b>	<b>23,856</b>	<b>33,437,273</b>	<b>48,574,168</b>	<b>804,203</b>	<b>27,544,444</b>	<b>149,472,061</b>
<b>At 31 December 2021</b>							
Cost	42,990,632	54,838	53,927,448	73,573,789	3,272,869	27,544,444	201,364,020
Accumulated depreciation	(3,902,515)	(30,982)	(20,490,175)	(24,999,621)	(2,468,666)	-	(51,891,959)
<b>Net book amount (Audited)</b>	<b>39,088,117</b>	<b>23,856</b>	<b>33,437,273</b>	<b>48,574,168</b>	<b>804,203</b>	<b>27,544,444</b>	<b>149,472,061</b>
<b>Period ended 30 June 2022</b>							
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	65,167	1,820	116,426	243,043	39,571	5,146,324	5,612,351
Transfers	218,167	-	906,485	1,710,499	21,337	(2,856,488)	-
Transfers to intangible assets (refer note 7)	-	-	-	-	-	(4,468)	(4,468)
Reclassification to investment property (refer note 10)	(2,536)	-	(1,597)	-	-	(54,914)	(59,047)
Disposals, net	(144)	-	-	-	(35)	-	(179)
Depreciation	(179,047)	(6,644)	(1,034,752)	(1,261,697)	(151,381)	-	(2,633,521)
<b>Closing net book amount (Unaudited)</b>	<b>39,189,724</b>	<b>19,032</b>	<b>33,423,835</b>	<b>49,266,013</b>	<b>713,695</b>	<b>29,774,898</b>	<b>152,387,197</b>
<b>At 30 June 2022</b>							
Cost	43,271,286	56,658	54,438,535	75,527,331	3,324,120	29,774,898	206,392,828
Accumulated depreciation	(4,081,562)	(37,626)	(21,014,700)	(26,261,318)	(2,610,425)	-	(54,005,631)
<b>Net book amount (Unaudited)</b>	<b>39,189,724</b>	<b>19,032</b>	<b>33,423,835</b>	<b>49,266,013</b>	<b>713,695</b>	<b>29,774,898</b>	<b>152,387,197</b>

# Dubai Electricity and Water Authority (PJSC)

Notes to the condensed consolidated interim financial information (*continued*)  
for the six month period ended 30 June 2022 (unaudited)

## 6 Property, plant and equipment (continued)

- (a) The Group has engaged in a joint operation pertaining to Emirates National Grid Corporation (“ENGEC”). The Group’s share in the carrying amount of ENGEC’s assets as at 30 June 2022 is AED 112 million (31 December 2021: AED 116 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, distribution networks and district cooling facilities.
- (d) The interest rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to general borrowings during the period which is 3.01% (31 December 2021: 2.55%) for the Group. During the current period, the amount capitalised using this weighted average interest rate is AED 550 million (31 December 2021: AED 650 million) (refer note 31).
- (e) Right-of-use assets mainly represents vehicles and other equipment as of the reporting date.
- (f) During the current period, the Group recorded land received from the Land Department of the Government of Dubai amounting to AED 65 million (net) (31 December 2021: AED 694 million (net)).
- (g) Depreciation is allocated as detailed below:

	For the six month period ended 30 June	
	2022	2021
	AED’000	AED’000
	(Unaudited)	(Unaudited)
Cost of sales		
- Generation and desalination expenditure (refer note 27.1)	1,102,976	1,055,442
- Transmission and distribution expenditure (refer note 27.2)	1,387,409	1,279,615
Administrative expenses (refer note 28)	143,136	128,934
	<u>2,633,521</u>	<u>2,463,991</u>

# Dubai Electricity and Water Authority (PJSC)

Notes to the condensed consolidated interim financial information *(continued)*  
for the six month period ended 30 June 2022 (unaudited)

## 7 Intangible assets

	Computer software AED'000	Others AED'000	Total AED'000
<b>Year ended 31 December 2021</b>			
Opening net book amount(Audited)	161,862	-	161,862
Additions	17,056	364,696	381,752
Transfer from property, plant and equipment (refer note 6)	67,084	-	67,084
Amortisation	(80,721)	(400)	(81,121)
<b>Closing net book amount (Audited)</b>	<b>165,281</b>	<b>364,296</b>	<b>529,577</b>
<b>At 31 December 2021</b>			
Cost	523,091	364,696	887,787
Accumulated amortisation	(357,810)	(400)	(358,210)
<b>Net book amount (Audited)</b>	<b>165,281</b>	<b>364,296</b>	<b>529,577</b>
	Computer software AED'000	Others AED'000	Total AED'000
<b>Period ended 30 June 2022</b>			
Opening net book amount (Audited)	165,281	364,296	529,577
Additions	4,574	-	4,574
Transfer from property, plant and equipment (refer note 6)	4,468	-	4,468
Amortisation (refer note 27.1 and 28)	(33,994)	(6,078)	(40,072)
<b>Closing net book amount (Unaudited)</b>	<b>140,329</b>	<b>358,218</b>	<b>498,547</b>
<b>At 30 June 2022 (Unaudited)</b>			
Cost	532,133	364,696	896,829
Accumulated amortisation	(391,804)	(6,478)	(398,282)
<b>Net book amount</b>	<b>140,329</b>	<b>358,218</b>	<b>498,547</b>

During the current period, amortisation expense of AED 40 million *(for the six month period ended 30 June 2021: AED 38.2 million)* is included in administrative expenses (refer notes 27.1 and 28).

# Dubai Electricity and Water Authority (PJSC)

Notes to the condensed consolidated interim financial information *(continued)*  
for the six month period ended 30 June 2022 *(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*

	<b>30 June 2022 AED'000 (Unaudited)</b>	31 December 2021 AED'000 (Audited)
At the beginning of the period/year	<b>640</b>	5,720
Additions during the period/year	-	150
Disposal during the period/year	-	(947)
Share of profit from joint ventures	-	502
Less: provision made during the period/year	-	(4,785)
At the end of the period/year	<b>640</b>	640

During the previous year, the Group had made an assessment of its share of net assets in Ducab HV (DHV) and a provision of AED 4.8 million had been recognised.

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	
		2022	2021	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
Utility Management LLC	UAE	50	50	490	490
Etihad Smart Energy Solutions LLC	UAE	50	50	150	150
Ducab HV Cable Systems P.S.C	UAE	25	25	-	-
				<b>640</b>	<b>640</b>

# Dubai Electricity and Water Authority (PJSC)

Notes to the condensed consolidated interim financial information (*continued*)  
for the six month period ended 30 June 2022 (*unaudited*)

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

	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
At the beginning of the period/year	58,113	57,653
Fair value adjustment during the period/year	(3,993)	460
At the end of the period/year	<u>54,120</u>	<u>58,113</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, loss recognised in other comprehensive income amounted to AED 4 million (31 December 2021: gain of AED 460 thousand).

## 10 Investment properties

	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
Property under development	<u>59,047</u>	<u>-</u>

*The movement in property under development is as follows:*

	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
At the beginning of the period/year	-	-
Reclassification from property, plant and equipment (refer note 6)	59,047	-
At the end of the period/year	<u>59,047</u>	<u>-</u>

Investment property comprises property held for capital appreciation, long-term rental yields or both, and is carried at cost less accumulated depreciation and impairment losses, if any. Investment property also includes property that is being constructed or developed for future use as investment property. The fair values for disclosure purposes of the investment properties are determined by management/external valuers using recent market prices/transactions or alternatively, discounted cash flow projections.

When the development of investment property is complete it is depreciated on a straightline basis to allocate their cost to their residual values over their estimated useful lives, as follows:

# Dubai Electricity and Water Authority (PJSC)

Notes to the condensed consolidated interim financial information *(continued)*  
for the six month period ended 30 June 2022 (unaudited)

## 10 Investment properties (continued)

Type of assets	Years
Buildings and infrastructure	20 – 35

Any expenditure that results in the maintenance of property to an acceptable standard or specification is treated as repairs and maintenance and is expensed in the period in which it is incurred.

When investment property is sold, gains and losses on disposal are determined by reference to its carrying amount and are taken into account in determining operating profit.

The Group incurred capital expenditure for a project, which consist of 2 buildings – one dedicated for own use as Corporate Headquarter by a subsidiary and another one, a residential building as rental property. The value of residential building, reclassified from property, plant and equipment is AED 57 million as the cost of investment made upto 30 June 2022, being estimated under cost model.

The Group carries its investment property at cost less accumulated depreciation and impairment losses under the cost model in accordance with IAS 40, 'Investment Property'. IAS 40 also requires separate disclosure of the fair values of investment property when the cost model is used. As per management, the fair value of the investment property is estimated to be similar to its cost as of 30 June 2022.

## 11 Other assets

	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
Advance to suppliers	1,402,003	1,346,191
Prepayments	75,982	112,306
	<u>1,477,985</u>	<u>1,458,497</u>
Less: non-current portion	(472,818)	(456,773)
Current portion	<u>1,005,167</u>	<u>1,001,724</u>

## 12 Other financial assets

	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
UAE National Bonds and Sukuk Bonds	456,554	397,099
Other receivables	2,958,461	3,023,911
Less: provision for impairment on other receivables	(47,913)	(47,913)
	<u>3,367,102</u>	<u>3,373,097</u>
Less: non-current portion	(1,169,423)	(1,223,569)
Current portion	<u>2,197,679</u>	<u>2,149,528</u>

# Dubai Electricity and Water Authority (PJSC)

Notes to the condensed consolidated interim financial information *(continued)*  
for the six month period ended 30 June 2022 *(unaudited)*

## 12 Other financial assets (continued)

Other financial assets include investment in UAE National Bonds amounting to AED 452 million (31 December 2021: AED 397 million), which have a maturity of 12 months from the date of purchase. UAE National Bonds carry an interest rate of 2.25% per annum (31 December 2021: 2.25% 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 30 June 2022, other receivables amounting to AED 2,883 million (31 December 2021: AED 2,976 million) are not impaired except for an amount of AED 48 million (31 December 2021: AED 48 million). The carrying amount of the Group's other receivables approximates its fair value.

Other receivables also includes an investment amounting to AED 49.4 million which has been classified at fair value through profit or loss. Refer note 13.

## 13 Financial assets at fair value through profit or loss (FVTPL)

	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
At the beginning of the period/year	31,925	14,692
Addition during the period/year	17,493	8,478
Gain on revaluation	-	8,755
At the end of the period/year	<u>49,418</u>	<u>31,925</u>

One of the subsidiaries entered into a subscription agreement with an unquoted entity. The management has paid AED 17.4 million (31 December 2021: AED 8.5 million) out of AED 55.1 million total commitment as a result of the 'capital call' issued by the investee. Based on the management's assessment, this instrument is not impaired as of the reporting date. Refer note 12.

## 14 Inventories

	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
Consumables and repair spares	640,286	642,947
Less: provision for slow moving and obsolete inventory	<u>(214,853)</u>	<u>(205,653)</u>
	425,433	437,294
Fuel	<u>1,009,030</u>	<u>1,013,855</u>
	<u>1,434,463</u>	<u>1,451,149</u>

# Dubai Electricity and Water Authority (PJSC)

Notes to the condensed consolidated interim financial information *(continued)*  
for the six month period ended 30 June 2022 *(unaudited)*

## 14 Inventories (continued)

### 14.1 Movement in provision for slow moving and obsolete inventory

	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
At the beginning of the period/year	205,653	177,032
Charge for the period/year	9,200	28,621
At the end of the period/year	<u>214,853</u>	<u>205,653</u>

## 15 Trade receivables

	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
Trade receivables	5,350,490	3,271,063
Accrued revenue	1,563,174	1,040,108
Less: provision for impairment of receivables	(439,544)	(422,544)
Trade receivables and accrued revenue – net	<u>6,474,120</u>	<u>3,888,627</u>

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

	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
At the beginning of the period/year	422,544	344,674
Charge for the period/year (refer note 29)	17,000	77,870
At the end of the period/year	<u>439,544</u>	<u>422,544</u>

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

## 16 Short-term deposits

	31 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
Term deposits with banks	<u>5,693,884</u>	<u>4,798,864</u>

Term deposits amounting to AED 5,694 million (31 December 2021: AED 4,799 million) carries an interest ranging from 1.05% to 2.50% per annum. Also refer to note 19 for deposits under lien.



# Dubai Electricity and Water Authority (PJSC)

Notes to the condensed consolidated interim financial information (*continued*)  
for the six month period ended 30 June 2022 (*unaudited*)

## 17 Cash and cash equivalents

	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
Current and call accounts with banks and other institutions	3,833,356	4,403,945
Cash on hand	1,042	2,219
	<u>3,834,398</u>	<u>4,406,164</u>

Cash and cash equivalents include AED 775 million (31 December 2021: AED 1,906 million) in foreign currencies. The majority of these balances are denominated in US Dollar. These balances are held for settlement of existing and anticipated liabilities denominated in foreign currencies.

Cash and cash equivalents also include AED 796 million (31 December 2021: AED 716 million) of cash collected by local banks and government collection agencies on behalf of the Group.

### 17.1 Cash and cash equivalents for the purpose of cash flows

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

	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
Cash and cash equivalents	3,834,398	4,406,164
Term deposits (original maturity less than 3 months)	48,085	1,008,223
Bank overdrafts (refer note 19)	(459,851)	(442,339)
Cash and cash equivalents for the purpose of cash flows	<u>3,422,632</u>	<u>4,972,048</u>

## 18 Equity

### (a) Share capital

In the previous year, an amount of AED 500 million had been transferred to share capital account from Government of Dubai account. The Board of Directors of the Authority had authorised the breakup of the share capital into 50 billion shares of AED 0.01 each. All shares of the Authority shall rank equally with one another in all aspects. Hence, the share capital of Authority consists of authorised and paid up capital of AED 500 million as of 30 June 2022.

### (b) Statutory reserve

As required by applicable law and Articles of Association of the Authority and certain subsidiaries, 10% 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, respectively. The reserve is not available for distribution except as stipulated by the law.

# Dubai Electricity and Water Authority (PJSC)

Notes to the condensed consolidated interim financial information *(continued)*  
for the six month period ended 30 June 2022 (unaudited)

## 18 Equity (continued)

### (c) Capital contribution

During the current period, the Government of Dubai account nomenclature has been changed to '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.

### (d) General reserve

The general reserve represented surplus distributable profits earned by the Group. As at 31 March 2022, the balance in general reserve amounting to AED 43.34 billion was transferred to retained earnings.

### (e) 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.

### (f) Non-cash distributions

Non-cash distributions represent amounts transferred to the Government of Dubai, as an appropriation of retained earnings, which is equivalent to the amount owed by the Government of Dubai to the Group together with amounts owed by third parties assumed by the Government of Dubai. With effect from 1 January 2022, these amounts will be settled in cash by the Government of Dubai.

## 19 Borrowings

	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
<b>Non-current</b>		
Others (i)	24,437,084	23,325,798
Long-term loan (ii)	9,472,500	-
	<b>33,909,584</b>	<b>23,325,798</b>
<b>Current</b>		
Bank overdrafts (refer note 17)	459,851	442,339
Others (i)	4,019,679	2,987,733
	<b>4,479,530</b>	<b>3,430,072</b>
	<b>38,389,114</b>	<b>26,755,870</b>

Borrowings are denominated in the following currencies:

	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
US Dollars	36,241,721	24,626,044
UAE Dirham	2,147,393	2,129,826
	<b>38,389,114</b>	<b>26,755,870</b>

# Dubai Electricity and Water Authority (PJSC)

Notes to the condensed consolidated interim financial information (*continued*)  
for the six month period ended 30 June 2022 (unaudited)

## 19 Borrowings (continued)

### (i) Others

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

One of the subsidiaries of the Group signed Heads of Terms (HOTs) on 27 October 2021 with Dubai Airports City Corporation (DACC) for potential acquisition of district cooling assets. The acquisition is expected to be completed during August – September 2022. The subsidiary's share will be 85% while remaining 15% will be held by DACC. Total consideration value is estimated at AED 1,050 million. The acquisition includes one project and five plants. On 29 March 2022, the subsidiary entered into a new bridge loan agreement of AED 918 million to fund Dubai Airport project acquisition.

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.

The borrowings of a component of the Group are secured by lien over deposits with the bank to the extent of AED 1.8 billion (2021: AED 1.65 billion). Refer to note 16.

### (ii) Long-term loan

During the six month period ended 30 June 2022, the Authority has obtained a long-term Shariah compliant loan of AED 10,000 million from a commercial bank. 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 current period, the Group has repaid AED 500 million of the loan.

## 20 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 gain of AED 3,093 million (for the six month period ended 30 June 2021: AED 959 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.

Description of the hedged item	Hedging instrument	Notional amount AED'000	Positive fair value AED'000	Negative fair value AED'000
<b>30 June 2022 (Unaudited):</b>				
Interest payments on floating rate loans	Interest rate swap	<u>34,567,467</u>	<u>1,059,516</u>	<u>196,403</u>
<b>31 December 2021 (Audited):</b>				
Interest payments on floating rate loans	Interest rate swap	<u>32,083,278</u>	<u>10,645</u>	<u>2,416,127</u>

# Dubai Electricity and Water Authority (PJSC)

Notes to the condensed consolidated interim financial information *(continued)*  
for the six month period ended 30 June 2022 (unaudited)

## 20 Derivative financial instruments (continued)

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

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
<b>30 June 2022 (Unaudited)</b>				
<b>Assets measured at fair value</b>				
Derivative financial instruments (current portion)	-	65,200	-	65,200
Derivative financial instruments (non-current portion)	-	994,316	-	994,316
<b>Liabilities measured at fair value</b>				
Derivative financial instruments (current portion)	-	32,639	-	32,639
Derivative financial instruments (non-current portion)	-	163,764	-	163,764
<b>31 December 2021 (Audited)</b>				
<b>Assets measured at fair value</b>				
Derivative financial instruments (non-current portion)	-	10,645	-	10,645
<b>Liabilities measured at fair value</b>				
Derivative financial instruments (current portion)	-	156,297	-	156,297
Derivative financial instruments (non-current portion)	-	2,259,830	-	2,259,830

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.

## 21 Retirement benefit obligations

	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
Provision for employees' end of service benefits (refer note 21.1)	957,955	937,561
Provision for pensions (refer note 21.2)	80,677	83,017
	<b>1,038,632</b>	1,020,578
Less: non-current portion	(1,026,834)	(1,008,904)
Current portion (refer note 24)	<b>11,798</b>	11,674

# Dubai Electricity and Water Authority (PJSC)

Notes to the condensed consolidated interim financial information *(continued)*  
for the six month period ended 30 June 2022 *(unaudited)*

## 21 Retirement benefit obligations (continued)

### 21.1 Provision for employees' end of service benefits

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

	<b>30 June 2022 AED'000 (Unaudited)</b>	31 December 2021 AED'000 (Audited)
At the beginning of the period/year	937,561	962,091
Charge for the period/year (refer note 30)	44,740	124,204
Re-measurements	1,883	(96,851)
Payments made during the period/year	<u>(26,229)</u>	<u>(51,883)</u>
At the end of the period/year	<u><b>957,955</b></u>	<u><b>937,561</b></u>

### 21.2 Provision for pensions

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

The movements in the provision for pensions are analysed below:

	<b>30 June 2022 AED'000 (Unaudited)</b>	31 December 2021 AED'000 (Audited)
At the beginning of the period/year	71,343	74,307
Payments made during the period/year	<u>(2,464)</u>	<u>(2,964)</u>
At the end of the period/year	<u><b>68,879</b></u>	<u><b>71,343</b></u>

#### 21.2.2 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:

	<b>30 June 2022 AED'000 (Unaudited)</b>	31 December 2021 AED'000 (Audited)
At the beginning of the period/year	11,674	12,399
Charge for the period/year (refer note 30)	57,246	112,810
Payments made during the period/year	<u>(57,122)</u>	<u>(113,535)</u>
At the end of the period/year	<u><b>11,798</b></u>	<u><b>11,674</b></u>

# Dubai Electricity and Water Authority (PJSC)

Notes to the condensed consolidated interim financial information *(continued)*  
for the six month period ended 30 June 2022 *(unaudited)*

## 21 Retirement benefit obligations (continued)

### 21.2 Provision for pensions (continued)

Total provision for pension has been presented as follow:

	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
At the beginning of the period/year	83,017	86,706
Charge for the period/year (refer note 30)	57,246	112,810
Payments made during the period/year	(59,586)	(116,499)
At the end of the period/year	<u>80,677</u>	<u>83,017</u>

## 22 Lease liabilities

	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
At the beginning of the period/year	14,952	21,325
Addition during the period/year	1,820	1,070
Payments made during the period/year	(2,448)	(7,443)
<b>At the end of the period/year</b>	<u>14,324</u>	<u>14,952</u>
Less: current portion	(3,258)	(3,013)
Non-current portion	<u>11,066</u>	<u>11,939</u>

## 23 Other long term liabilities

	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
Deferred revenue	24,194,183	23,585,317
Advance for new connections	6,724,778	7,037,619
Retentions payable	849,736	876,234
	<u>31,768,697</u>	<u>31,499,170</u>

# Dubai Electricity and Water Authority (PJSC)

Notes to the condensed consolidated interim financial information *(continued)*  
for the six month period ended 30 June 2022 (unaudited)

## 24 Trade and other payables

	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
Consumers' security deposits	3,992,009	3,797,877
Capital projects payables	1,897,164	2,120,104
Trade payables	1,483,524	1,599,340
Retentions payable	1,473,202	1,569,971
Deferred revenue	1,431,701	1,040,856
Advances for new connections	747,198	781,958
Accrual for staff benefits	250,045	269,969
Retirement benefit obligations (refer note 21)	11,798	11,674
Other payables	3,317,892	2,589,930
	<b>14,604,533</b>	<b>13,781,679</b>

## 25 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:

	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
At the beginning of the period/year	379,024	948,248
Short collection during the period/year	(356,638)	(569,224)
At the end of the period/year	<b>22,386</b>	<b>379,024</b>

# Dubai Electricity and Water Authority (PJSC)

Notes to the condensed consolidated interim financial information (*continued*)  
for the six month period ended 30 June 2022 (unaudited)

## 26 Revenue

	For the six month period ended 30 June		For the three month period ended 30 June	
	2022	2021	2022	2021
	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sale of electricity	7,471,021	6,512,950	4,505,532	3,990,163
Sale of water	2,515,124	2,098,535	1,326,955	1,110,060
District cooling charges	1,153,098	993,440	687,211	597,384
Others	937,702	927,718	489,446	431,103
	<b>12,076,945</b>	<b>10,532,643</b>	<b>7,009,144</b>	<b>6,128,710</b>

The Group's operations and main revenue streams are those described in the annual consolidated financial statements for the year ended 31 December 2021. 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 40 million (*for the six month period ended 30 June 2021: AED 35 million*) represents amounts paid by government related entities to the Group for providing collection services.
- Amortisation of deferred revenue amounted to AED 498 million (*for the six month period ended 30 June 2021: AED 451 million*).

### 26.1 Disaggregation of revenue

For the six month period ended 30 June										
Timing of revenue recognition	Electricity		Water		District cooling charges		Others		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Products and services transferred										
- at a point in time	7,471,021	6,512,950	2,515,124	2,098,535	1,153,098	993,440	439,769	476,955	11,579,012	10,081,880
- over time	-	-	-	-	-	-	497,933	450,763	497,933	450,763
	<b>7,471,021</b>	<b>6,512,950</b>	<b>2,515,124</b>	<b>2,098,535</b>	<b>1,153,098</b>	<b>993,440</b>	<b>937,702</b>	<b>927,718</b>	<b>12,076,945</b>	<b>10,532,643</b>



# Dubai Electricity and Water Authority (PJSC)

Notes to the condensed consolidated interim financial information *(continued)*  
for the six month period ended 30 June 2022 (unaudited)

## 26 Revenue (continued)

### 26.1 Disaggregation of revenue (continued)

For the three month period ended 30 June										
Timing of revenue recognition	Electricity		Water		District cooling charges		Others		Total	
	2022 AED'000 (Unaudited)	2021 AED'000 (Unaudited)	2022 AED'000 (Unaudited)	2021 AED'000 (Unaudited)	2022 AED'000 (Unaudited)	2021 AED'000 (Unaudited)	2022 AED'000 (Unaudited)	2021 AED'000 (Unaudited)	2022 AED'000 (Unaudited)	2021 AED'000 (Unaudited)
Products and services transferred										
- at a point in time	4,505,532	3,990,163	1,326,955	1,110,060	687,211	597,384	235,309	201,905	6,755,007	5,899,512
- over time	-	-	-	-	-	-	254,137	229,198	254,137	229,198
	<u>4,505,532</u>	<u>3,990,163</u>	<u>1,326,955</u>	<u>1,110,060</u>	<u>687,211</u>	<u>597,384</u>	<u>489,446</u>	<u>431,103</u>	<u>7,009,144</u>	<u>6,128,710</u>

## 27 Cost of sales

	For the six month period ended 30 June		For the three month period ended 30 June	
	2022 AED'000 (Unaudited)	2021 AED'000 (Unaudited)	2022 AED'000 (Unaudited)	2021 AED'000 (Unaudited)
Generation and desalination expenditure (refer note 27.1)	5,222,625	4,975,859	2,736,389	2,769,014
Transmission and distribution expenditure (refer note 27.2)	2,261,080	2,126,597	1,145,349	1,069,799
Purchase of gas, power and water	333,551	52,957	312,497	30,878
	<u>7,817,256</u>	<u>7,155,413</u>	<u>4,194,235</u>	<u>3,869,691</u>

### 27.1 Generation and desalination expenditure

	For the six month period ended 30 June		For the three month period ended 30 June	
	2022 AED'000 (Unaudited)	2021 AED'000 (Unaudited)	2022 AED'000 (Unaudited)	2021 AED'000 (Unaudited)
Fuel costs	3,075,054	2,950,789	1,669,646	1,699,470
Depreciation (refer note 6)	1,102,976	1,055,442	550,125	518,557
Employee benefit expenses (refer note 30)	271,852	275,665	133,653	139,325
Repairs and maintenance	231,361	257,142	112,422	143,464
Amortisation (refer note 7)	6,078	-	3,039	-
Others	535,304	436,821	267,504	268,198
	<u>5,222,625</u>	<u>4,975,859</u>	<u>2,736,389</u>	<u>2,769,014</u>

# Dubai Electricity and Water Authority (PJSC)

Notes to the condensed consolidated interim financial information *(continued)*  
for the six month period ended 30 June 2022 (unaudited)

## 27 Cost of sales (continued)

### 27.2 Transmission and distribution expenditure

	For the six month period ended 30 June		For the three month period ended 30 June	
	2022	2021	2022	2021
	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Depreciation (refer note 6)	1,387,409	1,279,615	712,288	651,306
Employee benefit expenses (refer note 30)	712,874	717,568	358,213	359,986
Repairs and maintenance	127,573	119,633	59,791	55,508
Others	33,224	9,781	15,057	2,999
	<u>2,261,080</u>	<u>2,126,597</u>	<u>1,145,349</u>	<u>1,069,799</u>

## 28 Administrative expenses

	For the six month period ended 30 June		For the three month period ended 30 June	
	2022	2021	2022	2021
	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Employee benefit expenses (refer note 30)	775,900	767,748	391,587	388,900
Repairs and maintenance	157,901	168,568	69,473	62,895
Depreciation (refer note 6)	143,136	128,934	69,147	68,018
Amortisation (refer note 7)	33,994	38,203	17,090	20,834
Insurance	43,921	39,804	24,095	21,614
Provision for slow moving and obsolete inventory (refer note 14)	172	121	86	60
Others	214,519	235,627	95,242	76,434
	<u>1,369,543</u>	<u>1,379,005</u>	<u>666,720</u>	<u>638,755</u>

## 29 Credit impairment losses

	For the six month period ended 30 June		For the three month period ended 30 June	
	2022	2021	2022	2021
	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Impairment of trade receivables (refer note 15)	17,000	42,580	20,057	28,853
Others	-	5,953	-	-
	<u>17,000</u>	<u>48,533</u>	<u>20,057</u>	<u>28,853</u>

# Dubai Electricity and Water Authority (PJSC)

Notes to the condensed consolidated interim financial information (*continued*)  
for the six month period ended 30 June 2022 (unaudited)

## 30 Employee benefit expenses

	For the six month period ended 30 June		For the three month period ended 30 June	
	2022	2021	2022	2021
	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Salaries	1,224,357	1,228,855	605,244	621,796
Bonus	112,018	121,600	55,746	60,901
Retirement benefit obligations (refer note 21)	101,986	98,620	51,434	48,389
Other benefits	322,265	311,906	171,029	157,125
	<u>1,760,626</u>	<u>1,760,981</u>	<u>883,453</u>	<u>888,211</u>

## 31 Finance (costs)/income – net

	For the six month period ended 30 June		For the three month period ended 30 June	
	2022	2021	2022	2021
	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<i>Finance costs</i>				
Interest on bank and other borrowings	(848,034)	(467,838)	(395,317)	(239,885)
Discounting of cheques	-	(1,876)	-	(1,876)
Cash flow hedges – ineffective portion of changes in fair value of derivative financial instruments	(194,140)	-	-	(2,400)
Interest on lease liabilities	(291)	(385)	(144)	(183)
	<u>(1,042,465)</u>	<u>(470,099)</u>	<u>(395,461)</u>	<u>(244,344)</u>
Amounts capitalised (refer note 6)	550,434	300,906	284,979	154,689
	<u>(492,031)</u>	<u>(169,193)</u>	<u>(110,482)</u>	<u>(89,655)</u>
<i>Finance income</i>				
Interest income on short term bank deposits	82,657	72,811	46,480	40,055
Interest income on financial assets	9,251	-	4,676	-
Cash flow hedges – ineffective portion of changes in fair value of derivative financial instruments	200,828	4,260	200,828	-
Reversal of fair value adjustment for trade receivables	-	20,274	-	12,495
	<u>292,736</u>	<u>97,345</u>	<u>251,984</u>	<u>52,550</u>
Finance (costs)/income – net	<u>(199,295)</u>	<u>(71,848)</u>	<u>141,502</u>	<u>(37,105)</u>

# Dubai Electricity and Water Authority (PJSC)

Notes to the condensed consolidated interim financial information (*continued*)  
*for the six month period ended 30 June 2022 (unaudited)*

## 32 Related party transactions and balances

The Group transacts with 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 as of the reporting date. 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 Group and directors of its subsidiaries.

### Related party transactions:

The material transactions with related parties are disclosed below, except as disclosed elsewhere in this condensed consolidated interim financial information:

#### *Sale of electricity and water and other revenues*

As is common with many other entities, the Group deals with various Government entities in Dubai. Certain quantities of electricity and water sold to UAE Nationals are zero rated. The Group calculates the value of these quantities supplied at approved rates and these amounts are settled by the Government of Dubai.

During the current period, the Group has collected AED 40 million (*for the six month period ended 30 June 2021: AED 21 million*) in respect of handling charges on behalf of a related party (refer note 26).

#### *Purchase of goods and services*

The Group purchases fuel from entities owned by the Government of Dubai. During the current period, the Group purchased fuel amounting to AED 3,354 million (*for the six month period ended 30 June 2021: AED 2,951 million*) from various entities.

During the current period, the Group purchased water amounting to AED 5 million (*for the six month period ended 30 June 2021: AED 35 million*) from an entity under common control.

During the current period, the Group contributed an amount of AED Nil (*for the six month period ended 30 June 2021: AED 30 million*) to organisations managed by the Group for purposes of promotion of clean energy and water conservation. This is included in administrative expenses.

# Dubai Electricity and Water Authority (PJSC)

Notes to the condensed consolidated interim financial information *(continued)*  
for the six month period ended 30 June 2022 (unaudited)

## 32 Related party transactions and balances (continued)

### Related party transactions (continued)

*Transactions with banks owned by Government of Dubai*

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

	For the six month period ended 30 June		For the three month period ended 30 June	
	2022 AED'000 (Unaudited)	2021 AED'000 (Unaudited)	2022 AED'000 (Unaudited)	2021 AED'000 (Unaudited)
Compensation to key management personnel				
Salaries and short-term benefits	48,972	42,832	15,526	12,643
Post-employment benefits and long term benefits	1,794	1,627	779	755
	<u>50,766</u>	<u>44,459</u>	<u>16,305</u>	<u>13,398</u>

### *Board members' interests*

Other than remuneration paid to key management personnel, Board members of the Authority have no beneficial interest in the Authority or its subsidiaries during the current period and 2021.

# Dubai Electricity and Water Authority (PJSC)

Notes to the condensed consolidated interim financial information (*continued*)  
for the six month period ended 30 June 2022 (*unaudited*)

## 33 Cash generated from operating activities

		For the six month period ended 30 June	
	Note	2022 AED'000 (Unaudited)	2021 AED'000 (Unaudited)
<b>Operating activities</b>			
Profit for the period		3,301,214	2,482,428
<i>Adjustment to reconcile profit to net cash provided by operating activities:</i>			
Depreciation	6	2,633,521	2,383,212
Amortisation	7	40,072	118,982
Provision for slow moving and obsolete inventory	14	9,200	5,274
Fair value adjustments		2,993	4,055
Charge for impairment of trade receivables	29	17,000	48,533
Deferred income		(497,933)	(450,763)
Retirement benefit obligations – gratuity	21.1	44,740	43,406
Retirement benefit obligations – pensions	21.2	57,246	55,214
Share of profit from investment in joint ventures			(502)
Ineffective portion of gain on derivative financial instruments (net)	31	(6,688)	(4,260)
(Gain)/loss on sale of property, plant and equipment		(45)	12
Finance income	31	(91,908)	(93,085)
Finance costs	31	297,891	169,193
<i>Operating cash flows before changes in operating assets and liabilities</i>		<b>5,807,303</b>	<b>4,761,699</b>
<i>Changes in operating assets and liabilities:</i>			
Inventories		7,486	322
Trade receivables		(2,602,493)	(991,194)
Other financial assets	12	86,793	56,074
Other assets	11	(19,488)	188,930
Trade and other payables		1,759,960	224,435
Movement in regulatory deferral account-credit balance	25	(356,638)	(264,241)
<i>Net operating cash flows</i>		<b>4,682,923</b>	<b>3,976,025</b>
Payment for retirement benefit obligations – gratuity	21.1	(26,229)	(25,359)
Payment for retirement benefit obligations – pensions	21.2	(59,586)	(57,827)
<b>Net cash generated from operating activities</b>		<b>4,597,108</b>	<b>3,892,839</b>

# Dubai Electricity and Water Authority (PJSC)

Notes to the condensed consolidated interim financial information *(continued)*  
for the six month period ended 30 June 2022 (unaudited)

## 34 Commitments

	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
Future commitments including capital expenditures	<u>13,805,119</u>	<u>16,802,580</u>

## 35 Dividend

On 31 January 2022, the Group declared and paid a dividend amounting to AED 10,000 million in respect of the year ended 31 December 2021 (31 December 2020: AED 2,000 million).

During the current period, EMPOWER declared a dividend of AED 500 million (31 December 2021: AED 300 million) which was approved by the Board of Directors of EMPOWER. An amount of AED 150 million was paid (2021: AED 90 million) to the non-controlling interest as dividend.

## 36 Earnings per 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 six month period ended 30 June		For the three month period ended 30 June	
	2022 AED'000 (Unaudited)	2021 AED'000 (Unaudited)	2022 AED'000 (Unaudited)	2021 AED'000 (Unaudited)
<b>Earnings</b>				
Profit for the period, attributable to the shareholders of the Company	<u>3,148,936</u>	<u>2,271,773</u>	<u>2,414,426</u>	<u>1,724,492</u>
	For the six month period ended 30 June		For the three month period ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
<b>Number of shares in thousands</b>				
Number of ordinary shares for basic earnings per share	<u>50,000,000</u>	<u>50,000,000</u>	<u>50,000,000</u>	<u>50,000,000</u>
	For the six month period ended 30 June		For the three month period ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
<b>Earnings per share</b>				
Basic earnings per share (AED)	<u>0.063</u>	<u>0.045</u>	<u>0.048</u>	<u>0.034</u>

# Dubai Electricity and Water Authority (PJSC)

Notes to the condensed consolidated interim financial information *(continued)*  
for the six month period ended 30 June 2022 *(unaudited)*

## **37 COVID-19 impact**

On 11 March 2020, the World Health Organization declared the novel strain of coronavirus, or COVID-19, a global pandemic and recommended containment and mitigation measures worldwide. The business outlook had been impacted by associated risks and uncertainties. There had been a significant reduction in movement and discretionary spending, impacting businesses and economy.

During the prior years, the impact of the pandemic had evolved rapidly and to contain the virus, the governments and other authorities imposed strict measures. These included restrictions on movement, group gatherings, travel bans, border closings, business closures, quarantines, stay-at-home, shelter-in-place orders, density limitations and social distancing measures. The shopping malls, hospitality, cinemas and leisure and entertainment had been impacted by the mandated closures to affect social distancing. The majority of the Group's business is consumer driven and the situation had impacted the consumer confidence and purchasing power.

As of the reporting date, the restrictions have been eased and businesses have started to operate normally.

## **38 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.