

Dubai Electricity and Water
Authority PJSC and
its subsidiaries

Condensed consolidated interim
financial information
*for the nine month period ended
30 September 2024 (unaudited)*

Dubai Electricity and Water Authority PJSC and its subsidiaries

Condensed consolidated interim financial information

for the nine month period ended 30 September 2024 (unaudited)

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

To the Shareholders of Dubai Electricity and Water Authority PJSC

Introduction

We have reviewed the accompanying 30 September 2024 condensed consolidated interim financial information of Dubai Electricity and Water Authority PJSC ("DEWA" or "the Authority" or "the Company") and its subsidiaries ("the Group"), which comprises:

- the condensed consolidated interim statement of financial position as at 30 September 2024;
- the condensed consolidated interim statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2024;
- the condensed consolidated interim statement of changes in equity for the nine-month period ended 30 September 2024;
- the condensed consolidated interim statement of cash flows for the nine-month period ended 30 September 2024; 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.



Dubai Electricity and Water Authority PJSC
*Independent Auditors' Report on Review of
Condensed Consolidated Interim Financial Information
30 September 2024*

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2024 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 November 2024

Dubai Electricity and Water Authority PJSC and its subsidiaries

Condensed consolidated interim statement of financial position as at

	Notes	30 September 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	6	158,553,688	155,917,149
Intangible assets	7	419,636	462,367
Investments accounted for using the equity method	8	640	640
Derivative financial instruments	9	848,253	980,417
Financial assets at fair value through other comprehensive income	10	56,720	54,153
Investment property	11	85,645	85,645
Other assets	12	1,265,660	1,205,646
Financial assets at fair value through profit or loss	13.1	189,801	155,663
Other financial assets at amortised cost	13.2	3,200,632	3,285,620
Deferred tax assets		199,619	103,899
Total non-current assets		164,820,294	162,251,199
Current assets			
Derivative financial instruments	9	339,752	584,850
Other assets	12	605,193	625,241
Financial assets at fair value through profit or loss	13.1	15,259	10,000
Other financial assets at amortised cost	13.2	3,458,327	2,688,441
Inventories	15	1,473,865	1,401,155
Trade receivables	16	4,755,934	3,420,058
Short-term deposits	17	3,137,791	4,894,389
Cash and cash equivalents	18	7,423,199	5,300,171
Total current assets		21,209,320	18,924,305
Total assets		186,029,614	181,175,504
Equity and liabilities			
Equity			
Share capital	19	500,000	500,000
Capital contribution	19	40,042,992	40,042,997
Retained earnings		46,422,422	47,253,178
Statutory reserve	19	591,346	591,346
Hedging reserve	19	420,000	824,722
Equity attributable to the Owners of the Company		87,976,760	89,212,243
Non-controlling interests		3,650,882	3,489,111
Total equity		91,627,642	92,701,354
Liabilities			
Non-current liabilities			
Derivative financial instruments	9	332,235	3,732
Deferred tax liabilities		17,281	11,997
Borrowings	20	26,574,697	27,341,537
Retirement benefit obligations	21	1,074,872	1,020,240
Lease liabilities	22	22,350	16,281
Other long term liabilities	23	33,215,985	33,391,742
Total non-current liabilities		61,237,420	61,785,529
Current liabilities			
Borrowings	20	12,244,598	11,546,029
Derivative financial instruments	9	16,748	-
Lease liabilities	22	14,339	15,966
Trade and other payables	24	20,655,850	14,926,695
Total current liabilities		32,931,535	26,488,690
Total liabilities		94,168,955	88,274,219
Total equity and liabilities		185,796,597	180,975,573
Regulatory deferral account-credit balance	25	233,017	199,931
Total equity, liabilities and regulatory deferral account-credit balance		186,029,614	181,175,504

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 nine month period ended 30 September 2024.

The condensed consolidated interim financial information was approved and signed on behalf of the Board of Directors on 11 November 2024 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 9 to 44 form an integral part of this condensed consolidated interim financial information.

Dubai Electricity and Water Authority PJSC and its subsidiaries

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

	Notes	For the nine month period ended 30 September		For the three month period ended 30 September	
		2024	2023	2024	2023
		AED'000 (Unaudited)	AED'000 (Unaudited)	AED'000 (Unaudited)	AED'000 (Unaudited)
Revenue	27	23,534,306	22,160,795	9,870,235	9,422,286
Cost of sales	28	(14,512,672)	(13,315,084)	(5,521,761)	(4,932,857)
Gross profit		9,021,634	8,845,711	4,348,474	4,489,429
Administrative expenses	29	(2,699,312)	(2,052,470)	(952,764)	(773,143)
Credit impairment reversal/(loss)	30	46,403	(92,441)	17,578	(52,808)
Other income	31	488,207	152,585	131,592	65,674
Operating profit		6,856,932	6,853,385	3,544,880	3,729,152
Finance income	32	744,304	660,182	263,922	219,651
Finance costs	32	(1,521,841)	(1,403,753)	(487,117)	(492,587)
Finance costs – net	32	(777,537)	(743,571)	(223,195)	(272,936)
Profit for the period before net movement in regulatory deferral account		6,079,395	6,109,814	3,321,685	3,456,216
Net movement in regulatory deferral account	25	(33,086)	20,227	(85,526)	(66,006)
Profit for the period after net movement in regulatory deferral account		6,046,309	6,130,041	3,236,159	3,390,210
Income tax expense	14	(572,035)	-	(319,289)	-
Profit for the period after net movement in regulatory deferral account and tax		5,474,274	6,130,041	2,916,870	3,390,210
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurements of retirement benefit obligations	21.1	1,726	11,257	-	2,699
<i>Items that may be reclassified to profit or loss</i>					
Cash flow hedges – reclassified to profit or loss		(522,616)	(408,974)	(187,593)	(150,291)
Cash flow hedges – effective portion of changes in fair value of derivative financial instruments		(199,251)	1,270,693	(1,005,014)	1,069,676
Debt instrument at FVOCI – change in fair value	10	1,098	1,399	312	413
Income tax expense	14	(3,591)	-	68,095	-
Other comprehensive (loss)/income for the period		(722,634)	874,375	(1,124,200)	922,497
Total comprehensive income for the period		4,751,640	7,004,416	1,792,670	4,312,707
Profit for the period attributable to					
- Owners of the Company		5,366,447	5,999,059	2,858,650	3,325,045
- Non-controlling interests		107,827	130,982	58,220	65,165
		5,474,274	6,130,041	2,916,870	3,390,210
Total comprehensive income for the period attributable to					
- Owners of the Company		4,963,251	6,453,378	2,245,962	3,803,031
- Non-controlling interests		(211,611)	551,038	(453,292)	509,676
		4,751,640	7,004,416	1,792,670	4,312,707
Earnings per share					
Basic and diluted earnings per share (AED)	36	0.107	0.120	0.057	0.067

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

The notes on pages 9 to 44 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

	Attributable to the Owners					Non-controlling interests AED'000	Total equity AED'000
	Share capital AED'000	Capital contribution AED'000	Statutory reserve AED'000	Hedging reserve AED'000	Retained earnings AED'000	Total AED'000	
At 1 January 2023 (Audited)	500,000	40,042,885	591,346	954,247	47,338,862	89,427,340	92,380,470
<i>Total comprehensive income for the period</i>							
Profit for the period	-	-	-	-	5,999,059	5,999,059	6,130,041
Other comprehensive income for the period	-	-	-	447,232	7,087	454,319	874,375
Total comprehensive income for the period	-	-	-	447,232	6,006,146	6,453,378	7,004,416
<i>Transactions with the Owners</i>							
Capital contribution by non-controlling interests	-	-	-	-	-	-	776,306
Dividends (refer note 35)	-	-	-	-	(7,870,000)	(7,870,000)	(8,246,070)
At 30 September 2023 (Unaudited)	500,000	40,042,885	591,346	1,401,479	45,475,008	88,010,718	91,915,122

The notes on pages 9 to 44 form an integral part of this condensed consolidated interim financial information.

Dubai Electricity and Water Authority PJSC and its subsidiaries

Condensed consolidated interim statement of changes in equity *(continued)*

	Attributable to the Owners					Non-controlling interests AED'000	Total equity AED'000
	Share capital AED'000	Capital contribution AED'000	Statutory reserve AED'000	Hedging reserve AED'000	Retained earnings AED'000	Total AED'000	
At 1 January 2024 (Audited)	500,000	40,042,997	591,346	824,722	47,253,178	89,212,243	92,701,354
Total comprehensive income for the period							
Profit for the period	-	-	-	-	5,366,447	5,366,447	5,474,274
Other comprehensive loss for the period	-	-	-	(404,722)	1,526	(403,196)	(722,634)
Total comprehensive income for the period	-	-	-	(404,722)	5,367,973	4,963,251	4,751,640
Transactions with the Owners							
Capital contribution – value of plots of land	-	(5)	-	-	-	(5)	(5)
Settlement on liquidation of subsidiary	-	-	-	-	(51)	(51)	(101)
Capital contribution by non-controlling interests	-	-	-	-	-	750,892	750,892
Acquisition of minority interest	-	-	-	-	1,322	1,322	(1,481)
Dividends (refer note 35)	-	-	-	-	(6,200,000)	(6,200,000)	(6,575,979)
At 30 September 2024 (Unaudited)	500,000	40,042,992	591,346	420,000	46,422,422	87,976,760	91,627,642

The notes on pages 9 to 44 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 nine month period ended 30 September	
		2024	2023
		AED'000 (Unaudited)	AED'000 (Unaudited)
Cash flows from operating activities			
Profit for the period after tax		5,474,274	6,130,041
<i>Adjustments for:</i>			
Depreciation	6	4,867,180	4,290,376
Amortisation	7	60,222	58,379
Provision for slow moving and obsolete inventory	15	1,209	8,014
Fair value adjustments – asset retirement obligations		8,526	32,635
(Reversal)/loss on impairment of trade and other receivables	30	(46,403)	92,441
Deferred income	27	(857,912)	(810,290)
Deferred tax income	14	(94,028)	-
Retirement benefit obligations – gratuity	21.1	91,405	67,858
Retirement benefit obligations – pensions	21.2	97,179	93,853
Ineffective portion on derivative financial instruments – net	32	649	(5,048)
Gain on modification of lease		(88)	-
Gain on sale of property, plant and equipment	31	(1,084)	(532)
Liabilities written back		(23,072)	-
Assets written off	29	261,113	-
Insurance claim income	31	(262,859)	-
Finance income	32	(742,106)	(655,013)
Finance costs	32	1,518,994	1,403,632
<i>Operating cash flows before changes in operating assets and liabilities</i>		10,353,199	10,706,346
<i>Changes in operating assets and liabilities:</i>			
Inventories	15	(73,919)	22,680
Trade receivables	16	(1,288,295)	(905,597)
Other financial assets		(80,874)	(1,142,498)
Other assets	12	(39,966)	(237,396)
Trade and other payables		2,834,453	1,559,667
Movement in regulatory deferral account-credit balance	25	33,086	(20,227)
<i>Net operating cash flows</i>		11,737,684	9,982,975
Payment for retirement benefit obligations – gratuity	21.1	(31,454)	(35,855)
Payment for retirement benefit obligations – pensions	21.2	(101,880)	(98,908)
Net cash generated from operating activities		11,604,350	9,848,212

Dubai Electricity and Water Authority PJSC and its subsidiaries

Condensed consolidated interim statement of cash flows (continued)

	Notes	For the nine month period ended 30 September	
		2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)
Net cash generated from operating activities		11,604,350	9,848,212
Cash flows from investing activities			
Purchase of property, plant and equipment net of movements in trade payables and other long-term liabilities		(7,035,675)	(4,439,879)
Deposits with original maturity of greater than three months – placed		(7,952,005)	(426,665)
Deposits with original maturity of greater than three months – matured		9,708,603	2,331,243
Additions to investment property		-	(10,526)
Acquisition of a subsidiary		-	(892,500)
Acquisition of non-controlling interests		(159)	-
Purchase of intangible assets	7	(4,457)	(14,970)
UAE National Bonds and Sukuk Bonds – placed		(985,717)	(484,341)
UAE National Bonds and Sukuk Bonds – matured		547,233	684,544
Interest received		786,254	557,935
Proceeds from disposal of property, plant and equipment		4,177	4,448
Net cash used in investing activities		(4,931,746)	(2,690,711)
Cash flows from financing activities			
Repayments of borrowings		(6,494,850)	(2,606,664)
Proceeds from borrowings		5,740,719	1,378,773
Capital contribution by non-controlling interests		750,892	776,306
Capital repayment to non-controlling interests on liquidation of subsidiary		(50)	-
Interest paid		(2,011,185)	(1,792,327)
Payment of lease liabilities		(13,469)	(10,700)
Dividend paid to the Owners		(3,100,000)	(4,770,000)
Dividends paid to non-controlling interests		(188,979)	(189,070)
Net cash used in financing activities		(5,316,922)	(7,213,682)
Net increase/(decrease) in cash and cash equivalents		1,355,682	(56,181)
Cash and cash equivalents, beginning of period	18.1	4,658,317	4,722,296
Cash and cash equivalents, end of period	18.1	6,013,999	4,666,115

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

The notes on pages 9 to 44 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 nine month period ended 30 September 2024 (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”).

In 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.

In the previous year, the Government of Dubai passed Law No. 25 of 2023 establishing Dubai Investment Fund (DIF). The Department of Finance (DoF), Government of Dubai transferred its shareholding in Dubai Electricity and Water Authority PJSC to DIF. The ultimate controlling party of the Group is the Government of Dubai. The ownership structure of the Authority is as follows:

	Ownership
Dubai Investment Fund (DIF)	82%
Local and international investors (including institutional and retail investors)	18%
	100%

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

Name of the entity	Percentage of beneficial ownership		Principal business activities
	30 September 2024 (Unaudited)	31 December 2023 (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

Dubai Electricity and Water Authority PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the nine month period ended 30 September 2024 (unaudited)

1 Establishment and operations *(continued)*

Name of the entity	Percentage of beneficial ownership		Principal business activities
	30 September 2024 (Unaudited)	31 December 2023 (Audited)	
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
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 Insulated Pipe Systems L.L.C. (formerly EMPOWER Logstor LLC)	56	54.3	Manufacturing of pre-insulated pipes, mainly for district cooling

Dubai Electricity and Water Authority PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the nine month period ended 30 September 2024 (unaudited)

1 Establishment and operations *(continued)*

Name of the entity	Percentage of beneficial ownership		Principal business activities
	30 September 2024 (Unaudited)	31 December 2023 (Audited)	
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	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
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
SecureX	100	100	Computer systems housing services, communication equipment, software design, data classification & analysis services, IT infrastructure, data centre co-location services and information technology network services
Space D	100	100	Managing & operating satellites & provision satellite services, wired & wireless communication systems installation and space situational tracking, monitoring & awareness services

Dubai Electricity and Water Authority PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the nine month period ended 30 September 2024 (unaudited)

1 Establishment and operations *(continued)*

Name of the entity	Percentage of beneficial ownership		Principal business activities
	30 September 2024 (Unaudited)	31 December 2023 (Audited)	
EMPOWER Snow LLC	56	56	Establish and operate district cooling projects and provide air-conditioning, ventilation and refrigeration services
Hassyan Water Company A Holdings LLC *	100	100	Holding Company
Shuaa Energy 4 Holding LLC *	100	100	Holding Company
Shuaa Energy 4 P.S.C *	60	60	Establish and provide full range of services for generation of electricity
Hassyan Water Company A P.S.C *	60	60	Establish and provide full range of services for production of desalinated water

* In the previous year, the Group had established two new holding companies each with 100% ownership of the Authority. The objective was to establish the project companies through these holding companies towards expansion of generation of electricity and desalination of water. The project companies were also incorporated during the previous year with 60% ownership.

** During the current period, Innogy International Middle East LLC was liquidated.

2 Material 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 nine month period ended 30 September 2024 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 2023, 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.

Dubai Electricity and Water Authority PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)* *for the nine month period ended 30 September 2024 (unaudited)*

2 Material accounting policies *(continued)*

2.1 Basis of preparation *(continued)*

Accordingly, this condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2023.

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 2023.

Results for the nine month period ended 30 September 2024 are not necessarily indicative of the results that may be expected for the year ending 31 December 2024.

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, wherever applicable.

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 2023.

2.4 New standards, amendments and interpretations

New standards, amendments and interpretations effective during the period

The following new or amended standards that are required to be adopted in annual periods beginning on 1 January 2024 and do not have a material impact on the Group's condensed consolidated interim financial information:

	Effective date
Non-current liabilities with covenants – Amendments to IAS 1 and classifications of liabilities as Current or Non-current – Amendments to IAS 1	1 January 2024
Lease liabilities in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024
Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	1 January 2024

Dubai Electricity and Water Authority PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)* *for the nine month period ended 30 September 2024 (unaudited)*

2 Material accounting policies *(continued)*

2.4 New standards, amendments and interpretations *(continued)*

New standards, amendments and interpretations issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted, however, the Group has not early adopted the new or amended standards in preparing the condensed consolidated interim financial information.

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

	Effective date
Lack of Exchangeability – Amendments to IAS 21	1 January 2025
Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Sale of contribution of assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28	Available for optional adoption/effective date deferred indefinitely

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 2023. 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.

Dubai Electricity and Water Authority PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the nine month period ended 30 September 2024 (unaudited)

3 Financial risk management *(continued)*

3.2 Fair value estimation *(continued)*

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:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- 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
- 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 2023, 44% of revenue accumulated in the first half of the year, with 56% accumulating in the second half.

5 Segment reporting

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

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.

	DEWA	EMPOWER	IPP	Others	Eliminations/ adjustments	Total
30 September 2024 (Unaudited)	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Segment assets						
Non-current assets	139,220,008	8,883,429	35,211,574	3,520,120	(22,014,837)	164,820,294
Current assets	12,962,308	2,591,983	3,033,774	4,865,357	(2,244,102)	21,209,320
Total assets	152,182,316	11,475,412	38,245,348	8,385,477	(24,258,939)	186,029,614
Segment liabilities						
Non-current liabilities	44,761,433	5,871,542	23,031,302	63,361	(12,490,218)	61,237,420
Current liabilities	20,190,163	2,485,847	10,291,161	4,802,289	(4,837,925)	32,931,535
Regulatory deferral account-credit balance	233,017	-	-	-	-	233,017
Total liabilities and regulatory deferral account-credit balance	65,184,613	8,357,389	33,322,463	4,865,650	(17,328,143)	94,401,972
Net segment assets	86,997,703	3,118,023	4,922,885	3,519,827	(6,930,796)	91,627,642

Dubai Electricity and Water Authority PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the nine month period ended 30 September 2024 *(unaudited)*

5 Segment reporting *(continued)*

Information about reportable segments and reconciliation of information on reportable segments to the amount reported in the condensed consolidated interim financial information (continued)

	DEWA	EMPOWER	IPP	Others	Eliminations/ adjustments	Total
31 December 2023 (Audited)	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Segment assets						
Non-current assets	138,265,694	8,761,136	32,286,973	3,227,245	(20,289,849)	162,251,199
Current assets	11,960,209	967,030	3,090,836	4,497,709	(1,591,479)	18,924,305
Total assets	150,225,903	9,728,166	35,377,809	7,724,954	(21,881,328)	181,175,504
Segment liabilities						
Non-current liabilities	45,058,859	4,871,282	27,433,664	68,208	(15,646,484)	61,785,529
Current liabilities	17,640,360	1,545,883	4,759,462	4,382,218	(1,839,233)	26,488,690
Regulatory deferral account-credit balance	199,931	-	-	-	-	199,931
Total liabilities and regulatory deferral account-credit balance	62,899,150	6,417,165	32,193,126	4,450,426	(17,485,717)	88,474,150
Net segment assets	87,326,753	3,311,001	3,184,683	3,274,528	(4,395,611)	92,701,354

Dubai Electricity and Water Authority PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the nine month period ended 30 September 2024 (unaudited)

5 Segment reporting *(continued)*

Segment wise statement of profit or loss and other comprehensive income

	DEWA	EMPOWER	IPP	Others	Eliminations/ adjustments	Total
30 September 2024 (Unaudited)	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Sale of electricity	15,965,676	-	1,567,601	-	(2,490,799)	15,042,478
Sale of water	4,471,322	-	-	-	(207,517)	4,263,805
District cooling	-	2,439,615	-	-	-	2,439,615
Others	1,553,129	56,128	-	1,205,763	(1,026,612)	1,788,408
Segment revenue	21,990,127	2,495,743	1,567,601	1,205,763	(3,724,928)	23,534,306
Cost of sales	(13,580,310)	(1,454,436)	(1,043,142)	(706,861)	2,272,077	(14,512,672)
Gross profit	8,409,817	1,041,307	524,459	498,902	(1,452,851)	9,021,634
Administrative expenses	(2,394,136)	(177,753)	(322,089)	(396,527)	591,193	(2,699,312)
Other income	619,318	4,237	311,868	57,484	(504,700)	488,207
Credit impairment loss	46,173	462	-	(19,245)	19,013	46,403
Operating profit	6,681,172	868,253	514,238	140,614	(1,347,345)	6,856,932
Finance income	166,127	43,823	464,999	166,245	(96,890)	744,304
Finance costs	(415,257)	(192,798)	(1,428,350)	(29,450)	544,014	(1,521,841)
Finance (costs)/income – net	(249,130)	(148,975)	(963,351)	136,795	447,124	(777,537)
Net movement in regulatory deferral account	(33,086)	-	-	-	-	(33,086)
Income tax (expense)/benefit	(528,000)	(64,822)	36,081	(29,627)	14,333	(572,035)
Profit/(loss) for the period	5,870,956	654,456	(413,032)	247,782	(885,888)	5,474,274
Other comprehensive income						
<i>Items that will not be reclassified to profit or loss</i>						
Remeasurements of retirement benefit obligations	-	1,726	-	-	-	1,726
<i>Items that may be reclassified to profit or loss</i>						
Cash flow hedges – reclassified to profit or loss	-	-	(522,616)	-	-	(522,616)
Cash flow hedges – effective portion of changes in fair value of derivative financial instruments	-	-	(199,251)	-	-	(199,251)
Debt instrument at FVOCI – change in fair value	-	1,098	-	-	-	1,098
Income tax expense	-	(99)	(3,492)	-	-	(3,591)
Other comprehensive income/(loss) for the period	-	2,725	(725,359)	-	-	(722,634)
Total comprehensive income/(loss) for the period	5,870,956	657,181	(1,138,391)	247,782	(885,888)	4,751,640

Dubai Electricity and Water Authority PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the nine month period ended 30 September 2024 (unaudited)

5 Segment reporting *(continued)*

Segment wise statement of profit or loss and other comprehensive income (continued)

	DEWA	EMPOWER	IPP	Others	Eliminations/ adjustments	Total
30 September 2023 (Unaudited)	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Sale of electricity	15,110,470	-	1,312,185	-	(2,121,715)	14,300,940
Sale of water	4,236,323	-	-	-	(167,741)	4,068,582
District cooling	-	2,252,499	-	-	-	2,252,499
Others	1,074,922	40,673	-	1,076,406	(653,227)	1,538,774
Segment revenue	20,421,715	2,293,172	1,312,185	1,076,406	(2,942,683)	22,160,795
Cost of sales	(12,506,642)	(1,321,007)	(971,783)	(591,933)	2,076,281	(13,315,084)
Gross profit	7,915,073	972,165	340,402	484,473	(866,402)	8,845,711
Administrative expenses	(1,995,209)	(168,064)	(49,514)	(360,974)	521,291	(2,052,470)
Credit impairment losses	(91,272)	-	-	(1,169)	-	(92,441)
Other income	600,145	4,525	12,209	20,110	(484,404)	152,585
Operating profit	6,428,737	808,626	303,097	142,440	(829,515)	6,853,385
Finance income	280,836	39,208	297,139	125,420	(82,421)	660,182
Finance costs	(658,988)	(162,940)	(945,820)	(22,799)	386,794	(1,403,753)
Finance (costs)/income – net	(378,152)	(123,732)	(648,681)	102,621	304,373	(743,571)
Net movement in regulatory deferral account	20,227	-	-	-	-	20,227
Profit/(loss) for the period	6,070,812	684,894	(345,584)	245,061	(525,142)	6,130,041
<i>Other comprehensive income</i>						
<i>Items that will not be reclassified to profit or loss</i>						
Remeasurements of retirement benefit obligations	-	11,257	-	-	-	11,257
<i>Items that may be reclassified to profit or loss</i>						
Cash flow hedges – reclassified to profit or loss	-	-	(408,974)	-	-	(408,974)
Cash flow hedges – effective portion of changes in fair value of derivate financial instruments	-	-	1,270,693	-	-	1,270,693
Debt instrument at FVOCI – change in fair value	-	1,399	-	-	-	1,399
Other comprehensive income for the period	-	12,656	861,719	-	-	874,375
Total comprehensive income for the period	6,070,812	697,550	516,135	245,061	(525,142)	7,004,416

Dubai Electricity and Water Authority PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the nine month period ended 30 September 2024 (unaudited)

5 Segment reporting *(continued)*

Other segment information

	DEWA	EMPOWER	IPP	Others	Eliminations/ adjustments	Total
30 September 2024 (Unaudited)	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Capital expenditure (property, plant and equipment)	3,658,169	393,751	4,983,248	271,073	(462,046)	8,844,195
Depreciation (property, plant and equipment)	3,729,972	247,633	493,602	416,831	(20,858)	4,867,180
31 December 2023 (Audited)	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Capital expenditure (property, plant and equipment)	5,550,286	275,625	2,432,927	137,438	(276,507)	8,119,769
Depreciation (property, plant and equipment)	4,929,502	332,884	449,408	367,027	(35,707)	6,043,114

Dubai Electricity and Water Authority PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the nine month period ended 30 September 2024 (unaudited)

6 Property, plant and equipment

	Land and buildings AED'000	Right-of-use assets AED'000	Generation, desalination and district cooling 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 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	357	25,153	201,837	430,969	105,230	7,356,223	8,119,769
Transfers	384,133	1,064	20,081,691	3,098,692	205,719	(23,771,299)	-
Transfers to intangible assets (refer note 7)	-	-	-	-	-	(53,671)	(53,671)
Modification of right-of-use assets	-	(75)	-	-	-	-	(75)
Write off	-	-	(114,972)	-	-	-	(114,972)
Disposals – net	(377)	-	(17,261)	(2,283)	(278)	-	(20,199)
Depreciation	(472,185)	(30,249)	(2,585,967)	(2,721,995)	(232,718)	-	(6,043,114)
Closing net book amount (Audited)	39,243,696	30,717	51,197,249	51,368,584	775,501	13,301,402	155,917,149
At 31 December 2023							
Cost	43,982,776	90,344	75,539,246	81,581,463	3,661,079	13,301,402	218,156,310
Accumulated depreciation	(4,739,080)	(59,627)	(24,341,997)	(30,212,879)	(2,885,578)	-	(62,239,161)
Net book amount (Audited)	39,243,696	30,717	51,197,249	51,368,584	775,501	13,301,402	155,917,149
Period ended 30 September 2024							
Opening net book amount (Audited)	39,243,696	30,717	51,197,249	51,368,584	775,501	13,301,402	155,917,149
Additions – net	980	18,563	22,626	203,765	19,815	8,578,446	8,844,195
Transfers	314,413	-	4,250,117	1,625,451	31,607	(6,221,588)	-
Regrouping	(200,151)	-	312,675	-	(122,405)	9,881	-
Transfers to/from intangible assets (refer note 7)	-	-	-	-	11	(13,045)	(13,034)
Modification of right-of-use assets	-	(576)	-	-	-	-	(576)
Write off	-	-	(1,323,585)	-	-	-	(1,323,585)
Disposals – net	(5)	(183)	(2,453)	-	(640)	-	(3,281)
Depreciation charge	(278,360)	(13,323)	(2,285,214)	(2,093,037)	(197,246)	-	(4,867,180)
Closing net book amount (Unaudited)	39,080,573	35,198	52,171,415	51,104,763	506,643	15,655,096	158,553,688
At 30 September 2024							
Cost	44,098,013	104,255	78,187,387	83,410,679	3,545,965	15,655,096	225,001,395
Accumulated depreciation	(5,017,440)	(69,057)	(26,015,972)	(32,305,916)	(3,039,322)	-	(66,447,707)
Net book amount (Unaudited)	39,080,573	35,198	52,171,415	51,104,763	506,643	15,655,096	158,553,688

Dubai Electricity and Water Authority PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
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6 Property, plant and equipment (*continued*)

- (a) The Group has engaged in a joint operation pertaining to Emirates National Grid Corporation (“ENGC”). The Group’s share in the carrying amount of ENGC’s assets as at 30 September 2024 is AED 95 million (31 December 2023: AED 101 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.

As per communication from the Department of Finance, Government of Dubai, effective 10 March 2022, the new land policy in respect of allotment and granting of lands by the Government 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 only apply to all future lands granted by the Government 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) The carrying value of property, plant and equipment, pledged as collateral on borrowings, amounts to AED 34,530 million (31 December 2023: AED 31,518 million) (refer note 20).
- (d) Capital work in progress mainly comprises construction of additional electricity generation, water desalination facilities, transmission and distribution networks and district cooling facilities.
- (e) The capitalised borrowing costs related to construction of electricity and water plants and transmission substations amounted to AED 409 million (31 December 2023: AED 813 million), which was calculated using a capitalisation rate of 5.53% (31 December 2023: 4.87%) (refer note 32).
- (f) Right-of-use assets mainly represents vehicles and other equipment as of the reporting date.
- (g) During the current period, the Group did not receive any land from the Land Department of the Government of Dubai (31 December 2023: AED 112 thousand (net)).
- (h) During the current period, a severe rainstorm in April 2024 struck through UAE, causing notable damage to the IPP companies, mainly the Solar Power Plants. Management has assessed the damages and its financial impact on the Group and accordingly written off the damaged assets. The restoration of assets is recorded in capital work in progress. The damages incurred are covered either by insurance or EPC contractors of IPP companies. Since, the expenses related to damages and income from recovery pertains to single event, the amounts have been netted off in the profit or loss.

Dubai Electricity and Water Authority PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the nine month period ended 30 September 2024 (unaudited)

6 Property, plant and equipment *(continued)*

(i) Depreciation is allocated as detailed below:

	For the nine month period ended 30 September	
	2024	2023
	AED'000	AED'000
	(Unaudited)	(Unaudited)
Cost of sales		
- Generation and desalination expenditure (refer note 28.1)	2,377,872	1,874,112
- Transmission and distribution expenditure (refer note 28.2)	2,291,435	2,209,963
Administrative expenses (refer note 29)	197,873	206,301
	<u>4,867,180</u>	<u>4,290,376</u>

7 Intangible assets

	Computer software AED'000	Others AED'000	Total AED'000
Year ended 31 December 2023			
Opening net book amount (Audited)	118,984	352,139	471,123
Additions	21,437	-	21,437
Transfer from property, plant and equipment (refer note 6)	53,671	-	53,671
Amortisation	(71,707)	(12,157)	(83,864)
Closing net book amount (Audited)	<u>122,385</u>	<u>339,982</u>	<u>462,367</u>
At 31 December 2023			
Cost	626,481	364,696	991,177
Accumulated amortisation	(504,096)	(24,714)	(528,810)
Net book amount (Audited)	<u>122,385</u>	<u>339,982</u>	<u>462,367</u>
	Computer software AED'000	Others AED'000	Total AED'000
Period ended 30 September 2024			
Opening net book amount (Audited)	122,385	339,982	462,367
Additions	4,457	-	4,457
Transfer from property, plant and equipment - net (refer note 6)	13,034	-	13,034
Amortisation (refer notes 28.1 and 29)	(51,105)	(9,117)	(60,222)
Closing net book amount (Unaudited)	<u>88,771</u>	<u>330,865</u>	<u>419,636</u>
At 30 September 2024			
Cost	643,925	364,696	1,008,621
Accumulated amortisation	(555,154)	(33,831)	(588,985)
Net book amount (Unaudited)	<u>88,771</u>	<u>330,865</u>	<u>419,636</u>

During the current period, amortisation expense of AED 60 million *(for the nine month period ended 30 September 2023: AED 58 million)* is included in cost of sales and administrative expenses (refer notes 28.1 and 29).

Dubai Electricity and Water Authority PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the nine month period ended 30 September 2024 (unaudited)

8 Investments accounted for using the equity method

The entities listed below have share capital solely consisting of ordinary shares, which are held by the Group.

Name of the entity	Country of incorporation	Effective % of holding		Carrying value	
		2024	2023	30 September 2024	31 December 2023
		%	%	AED'000 (Unaudited)	AED'000 (Audited)
Utility Management LLC	UAE	50	50	490	490
Etihad Smart Energy Solutions LLC	UAE	50	50	150	150
				<u>640</u>	<u>640</u>

All joint ventures are accounted for using the equity method of accounting and are immaterial to the Group.

9 Derivative financial instruments

The Group is exposed to interest rate movements on various borrowings maturing between 2024 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. Unrealised loss of AED 199 million *(for the nine month period ended 30 September 2023: gain of AED 1,271 million)* relating to these hedging instruments is included in other comprehensive income. Realised gain during the current period amounted to AED 523 million *(for the nine month period ended 30 September 2023: AED 409 million)*.

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 reporting date.

Description of the hedged item	Hedging instrument	Notional amount AED'000	Positive fair value AED'000	Negative fair value AED'000
30 September 2024 (Unaudited)				
Interest payments on floating rate loans	Interest rate swap	<u>24,313,676</u>	<u>1,188,005</u>	<u>348,983</u>
31 December 2023 (Audited)				
Interest payments on floating rate loans	Interest rate swap	<u>21,183,952</u>	<u>1,565,267</u>	<u>3,732</u>

Dubai Electricity and Water Authority PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the nine month period ended 30 September 2024 (unaudited)

9 Derivative financial instruments *(continued)*

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

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
30 September 2024 (Unaudited)				
Assets measured at fair value				
Derivative financial instruments (non-current portion)	-	848,253	-	848,253
Derivative financial instruments (current portion)	-	339,752	-	339,752
Liabilities measured at fair value				
Derivative financial instruments (non-current portion)	-	332,235	-	332,235
Derivative financial instruments (current portion)	-	16,748	-	16,748
31 December 2023 (Audited)				
Assets measured at fair value				
Derivative financial instruments (non-current portion)	-	980,417	-	980,417
Derivative financial instruments (current portion)	-	584,850	-	584,850
Liabilities measured at fair value				
Derivative financial instruments (non-current portion)	-	3,732	-	3,732
Derivative financial instruments (current portion)	-	-	-	-

Interest rate swaps were measured primarily using valuations provided by 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.

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

	30 September 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
At the beginning of the period/year	54,153	52,911
Interest accrued	1,469	-
Fair value adjustment during the period/year	1,098	1,242
At the end of the period/year	56,720	54,153

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Notes to the condensed consolidated interim financial information *(continued)*
for the nine month period ended 30 September 2024 (unaudited)

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

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 1 million *(for the nine month period ended 30 September 2023: AED 1 million)*.

11 Investment property

	30 September 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Investment property	<u>85,645</u>	<u>85,645</u>

The movement in investment property is as follows:

	30 September 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
At the beginning of the period/year	85,645	72,859
Addition during the period/year	-	12,786
At the end of the period/year	<u>85,645</u>	<u>85,645</u>

The Group's subsidiary started construction of its head quarter project in 2021. The investment property includes land amounting to AED 2.5 million *(31 December 2023: AED 2.5 million)*.

The investment property was completed in the previous year and the fair value approximates to AED 110 million as at 31 December 2023. The fair value as at 30 September 2024 approximates to the fair value as at 31 December 2023.

Dubai Electricity and Water Authority PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the nine month period ended 30 September 2024 (unaudited)

12 Other assets

	30 September 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Advance to suppliers	1,720,559	1,657,910
Prepayments	150,294	172,977
	<u>1,870,853</u>	<u>1,830,887</u>
Less: non-current portion	(1,265,660)	(1,205,646)
Current portion	<u>605,193</u>	<u>625,241</u>

13 Financial assets

13.1 Financial assets at fair value through profit or loss

	30 September 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Investment in equity instruments	189,801	155,663
Investment in debt instruments	15,259	10,000
	<u>205,060</u>	<u>165,663</u>
Less: non-current portion	(189,801)	(155,663)
Current portion	<u>15,259</u>	<u>10,000</u>

13.2 Other financial assets at amortised cost

	30 September 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
UAE National Bonds and Sukuk Bonds	1,703,215	1,264,731
Investment in other debt instruments	1,329,999	1,516,166
Other receivables	3,766,604	3,332,845
Less: provision for impairment on other receivables	(140,859)	(139,681)
	<u>6,658,959</u>	<u>5,974,061</u>
Less: non-current portion	(3,200,632)	(3,285,620)
Current portion	<u>3,458,327</u>	<u>2,688,441</u>

Other financial assets at amortised cost include investments in UAE National Bonds and Sukuk Bonds amounting to AED 1,703 million (31 December 2023: AED 1,265 million), which have a maturity of 12 months from the date of purchase. UAE National Bonds carry an interest rate ranging from 5% to 5.8% per annum (31 December 2023: 3.75% to 5.7% per annum).

Dubai Electricity and Water Authority PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)* for the nine month period ended 30 September 2024 (unaudited)

13 Financial assets *(continued)*

13.2 Other financial assets at amortised cost *(continued)*

As at 30 September 2024, investment in debt instruments and other receivables amounting to AED 5,097 million (31 December 2023: AED 4,849 million) are not impaired except for an amount of AED 141 million (31 December 2023: AED 140 million). The carrying amount of the Group's other receivables is primarily denominated in AED and approximates its fair value.

Other receivables mainly include financial assets under IFRIC 12 (refer (a) below), housing and sewerage fee receivable on behalf of a related party and interest receivable on bank deposits.

- (a) In the previous year, EMPOWER entered into a sale and purchase agreement with Dubai Aviation City Corporation (DACC) to acquire 85% share capital of DXB Cool for a consideration of AED 892.5 million. As a result of this transaction, EMPOWER had recognised a financial asset under IFRIC 12 and a non-controlling interest amounting to AED 157.5 million. The financial asset was initially recorded at fair value and subsequently measured at amortised cost. The fair value was determined using the discounted cash flow techniques, the inputs into the valuation techniques includes contractual cash flows and interest rates.

14 Income tax

Components of income tax

The components of income for the periods are:

	For the nine month period ended 30 September	
	2024	2023
	AED'000	AED'000
<i>Amounts recognised in profit or loss:</i>		
Current tax expense	666,063	-
Deferred tax credit	(94,028)	-
	<u>572,035</u>	<u>-</u>
<i>Amounts recognised in other comprehensive income:</i>		
Deferred tax expense	3,591	-
	<u>575,626</u>	<u>-</u>

Income tax expense is recognised at an amount determined by multiplying the profit before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognised in full in the interim period. As such, the effective tax rate in the condensed consolidated interim financial information may differ from management's estimate of the effective tax rate for the annual consolidated financial statements.

Dubai Electricity and Water Authority PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the nine month period ended 30 September 2024 (unaudited)

14 Income tax (*continued*)

Reconciliation between the tax expense and profit or loss multiplied by applicable tax rate

The income tax rate applicable to the Group's income is 9% (*for the nine month period ended 30 September 2023: Nil*). A reconciliation between the expected and the actual tax charge is provided below:

	For the nine month period ended 30 September	
	2024	2023
	AED'000	AED'000
Profit before tax	6,046,309	6,130,041
Tax on profit at corporate tax rate of 9%	544,168	-
Deferred tax not recognised on losses of a subsidiary	3,102	-
Effect of non-deductible expenses	33,057	-
Recognition of previously unrecognised deductible temporary differences	(7,719)	-
Others	(573)	-
Income tax expense	572,035	-

The Group's effective tax rate for the nine month period ended 30 September 2024 was 9.46% (*for the nine month period ended 30 September 2023: Nil*).

Deferred taxes analysed by type of temporary difference

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

During the current period, further deferred income tax credit/assets and deferred tax expense/liabilities were recognised, which mainly relate to:

- Deferred tax credit/asset of AED 42 million relates to tax impact on adjustments being made in the condensed consolidated interim financial information, which resulted from temporary differences in the carrying amount of property, plant and equipment compared with tax base of subsidiaries; not part of the same tax group. This has been recognised in profit or loss in the condensed consolidated interim financial information.
- Deferred tax credit/asset of AED 52 million pertaining to tax impact on losses of certain subsidiaries. These deferred tax assets were recognised in standalone books of those subsidiaries with the expectation of realisation and assurance beyond any reasonable doubt that future taxable income would be sufficient to allow the benefit of the loss to be realised. This has been recognised in profit or loss in the condensed consolidated interim financial information.
- Deferred tax expense/liabilities of AED 4 million relating to changes in fair value of derivative financial instruments, which has been recognised in other comprehensive income in the condensed consolidated interim financial information.

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Notes to the condensed consolidated interim financial information (*continued*)
for the nine month period ended 30 September 2024 (unaudited)

15 Inventories

	30 September 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Consumables and repair spares	727,769	634,349
Less: provision for slow moving and obsolete inventory	(229,633)	(228,424)
	498,136	405,925
Fuel	975,729	995,230
	<u>1,473,865</u>	<u>1,401,155</u>

15.1 Movement in provision for slow moving and obsolete inventory

	30 September 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
At the beginning of the period/year	228,424	220,021
Charge for the period/year	1,209	8,403
At the end of the period/year	<u>229,633</u>	<u>228,424</u>

16 Trade receivables

	30 September 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Trade receivables	3,565,138	2,893,137
Accrued revenue	1,757,087	1,141,233
Less: provision for impairment of receivables	(566,291)	(614,312)
Trade receivables and accrued revenue – net	<u>4,755,934</u>	<u>3,420,058</u>

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

	30 September 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
At the beginning of the period/year	614,312	567,073
(Reversal)/charge for the period/year (refer note 30)	(47,581)	47,239
Provision written off	(440)	-
At the end of the period/year	<u>566,291</u>	<u>614,312</u>

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.

Dubai Electricity and Water Authority PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the nine month period ended 30 September 2024 (unaudited)

17 Short-term deposits

	30 September 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Term deposits with banks	3,146,164	4,902,762
Less: provision for impairment on short-term deposits	(8,373)	(8,373)
	<u>3,137,791</u>	<u>4,894,389</u>

Term deposits amounting to AED 3,146 million (31 December 2023: AED 4,903 million) carries an interest ranging from 1.75% to 5.45% per annum (31 December 2023: 1.25% to 6% per annum).

Term deposits of up to AED 2.6 billion (31 December 2023: AED 2.8 billion) have been kept as lien against borrowings by a subsidiary.

18 Cash and cash equivalents

	30 September 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Current and call accounts	4,764,147	4,789,922
Term deposits with banks with maturity less than 3 months	2,656,559	509,800
Cash on hand	2,493	449
	<u>7,423,199</u>	<u>5,300,171</u>

Cash and cash equivalents include AED 892 million (31 December 2023: AED 1,327 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 2,302 million (31 December 2023: AED 2,206 million) of cash collected by local banks and government collection agencies on behalf of the Group.

18.1 Cash and cash equivalents for the purpose of statement of cash flows

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

	30 September 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Cash and cash equivalents	7,423,199	5,300,171
Bank overdrafts (refer note 20)	(1,409,200)	(641,854)
Cash and cash equivalents for the purpose of statement of cash flows	<u>6,013,999</u>	<u>4,658,317</u>

Dubai Electricity and Water Authority PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the nine month period ended 30 September 2024 (unaudited)

19 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 30 September 2024.

(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.

(c) Statutory reserve

As required by applicable law and Articles of Association of the Authority and certain subsidiaries, 10% or 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 except for ineffective portion of change in the fair value of the derivatives that is recognized immediately in profit or loss. The fair value movements will be adjusted in other comprehensive income in the same period as the corresponding hedged transaction.

20 Borrowings

	30 September 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Non-current		
Others (refer (i) below)	26,574,697	27,341,537
Current		
Bank overdrafts (refer note 18.1)	1,409,200	641,854
Others (refer (i) below)	9,685,398	6,510,824
Term loan (refer (ii) below)	1,150,000	4,393,351
	<u>12,244,598</u>	<u>11,546,029</u>
	<u>38,819,295</u>	<u>38,887,566</u>

Dubai Electricity and Water Authority PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the nine month period ended 30 September 2024 *(unaudited)*

20 Borrowings *(continued)*

Borrowings are denominated in the following currencies:

	30 September 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
US Dollars	27,629,622	26,505,245
UAE Dirham	11,189,673	12,382,321
	38,819,295	38,887,566

The borrowing balance is net off deferred borrowing cost amounting to AED 752 million (31 December 2023: AED 670 million).

The Group has secured borrowings amounting to AED 30,762 million (31 December 2023: AED 29,360 million) and unsecured borrowings amounting to AED 8,057 million (31 December 2023: AED 9,528 million).

Borrowings are secured by pledge of assets (refer note 6) and sovereign guarantees issued by the Department of Finance (DoF), Government of Dubai.

As of 30 September 2024, the Group was compliant with financial and non-financial covenants, except as disclosed below.

The financial covenant (Debt Service Cover ratio) of Shuaa Energy 2 P.S.C for conventional and Islamic facility has not been met due to damage to Solar Power Plant that occurred as a result of a weather incident in August 2023. Hence the conventional, Islamic and financing facility amounting to AED 2,147 million has been classified as current liabilities (31 December 2023: AED 2,226 million).

(i) Others

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

On 26 September 2024, one of the subsidiaries' of the Group exchanged certain borrowing facilities with one of its existing lenders which resulted in certain changes to the terms of the facilities. Pursuant to the requirements of IFRS 9, management assessed whether the present value of the new cash flows under the new terms is at least 10% different from the present value of the remaining cash flows of the original liability, using the original effective interest rate; based on this quantitative test the difference is less than 10%. In addition, the management has considered the qualitative changes (e.g. change in the nature of the facilities from term loan to revolving credit facilities, extension of term, changes in interest) and concluded that those changes are substantial, and as such the exchange of the loan with the existing lender results in a new loan with substantially different terms to the original loan. Therefore, the arrangement was accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability, at fair value. The difference between the carrying amount of a financial liability extinguished and the consideration paid is recognised in profit or loss, together with the related costs/fees incurred.

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.

Dubai Electricity and Water Authority PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the nine month period ended 30 September 2024 (unaudited)

20 Borrowings (*continued*)

(ii) Term loan

In the prior years, the Authority had obtained a long-term Shariah compliant loan of AED 10,000 million from a commercial bank. The loan carried profit rate at 1-month EIBOR + margin. The term of the loan was five years and repayable in full upon its maturity.

In the previous year, the Authority renegotiated the loan terms with the bank and has amended the original loan agreement, whereby, the repayment term and commercial rate on loan have been revised. The revision in repayment terms has resulted in the loan being reclassified from non-current liabilities to current liabilities and in return the Authority has negotiated better profit rate. Further, during the current period, the Authority has paid AED 3,250 million (31 December 2023: AED 3,900 million) of the loan. Also refer note 39(a).

The Group takes proactive measures to ensure, as far as possible, that it will always have sufficient liquidity to meet its financial obligations. The Group has positive operating cash flows amounting to AED 11,604 million for the period ended 30 September 2024, cash and cash equivalents including short-term deposits of AED 10,561 million and undrawn facilities of AED 5,507 million as at 30 September 2024 to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group monitors the sufficiency of funds using cash flow budgeting in which it considers the cash outflows (including impact of capital commitments), the funds that would be generated from the operations and other available sources of funding.

21 Retirement benefit obligations

	30 September 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Provision for employees' end of service benefits (refer note 21.1)	1,023,565	965,340
Provision for pensions (refer note 21.2)	60,498	65,199
	<u>1,084,063</u>	<u>1,030,539</u>
Less: non-current portion	(1,074,872)	(1,020,240)
Current portion (refer note 24)	<u>9,191</u>	<u>10,299</u>

21.1 Provision for employees' end of service benefits

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

	30 September 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
At the beginning of the period/year	965,340	948,333
Charge for the period/year (refer note 33)	91,405	148,384
Re-measurements for the period/year	(1,726)	(86,068)
Payments made during the period/year	<u>(31,454)</u>	<u>(45,309)</u>
At the end of the period/year	<u>1,023,565</u>	<u>965,340</u>

Dubai Electricity and Water Authority PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the nine month period ended 30 September 2024 (unaudited)

21 Retirement benefit obligations (*continued*)

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:

	30 September 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
At the beginning of the period/year	54,900	62,160
Payments made during the period/year	(3,593)	(7,260)
At the end of the period/year	<u>51,307</u>	<u>54,900</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:

	30 September 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
At the beginning of the period/year	10,299	11,928
Charge for the period/year	97,179	123,226
Payments made during the period/year	(98,287)	(124,855)
At the end of the period/year	<u>9,191</u>	<u>10,299</u>

Total provision for pension has been presented as follows:

	30 September 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
At the beginning of the period/year	65,199	74,088
Charge for the period/year (refer note 33)	97,179	123,226
Payments made during the period/year	(101,880)	(132,115)
At the end of the period/year	<u>60,498</u>	<u>65,199</u>

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22 Lease liabilities

	30 September 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
At the beginning of the period/year	32,247	36,412
Addition during the period/year	18,563	25,153
Interest on lease liabilities	195	104
Modification	(664)	(98)
Disposals	(183)	-
Payments made during the period/year	(13,469)	(29,324)
At the end of the period/year	36,689	32,247
Less: non-current portion	(22,350)	(16,281)
Current portion	14,339	15,966

23 Other long term liabilities

	30 September 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Deferred revenue	26,058,380	25,848,381
Asset retirement obligations	322,394	313,868
Advance for new connections	6,231,236	6,616,075
Retentions payable	603,975	613,418
	33,215,985	33,391,742

24 Trade and other payables

	30 September 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Consumers' security deposits	4,956,963	4,656,794
Capital projects payables	2,373,146	2,516,875
Trade payables	2,034,563	1,777,107
Retentions payable	1,387,180	1,320,180
Deferred revenue	1,681,647	1,465,565
Advances for new connections	1,188,788	348,215
Accrual for staff benefits	232,427	234,540
Corporate tax payable	666,063	-
Retirement benefit obligations (refer note 21)	9,191	10,299
Dividend payable	3,287,000	-
Other payables	2,838,882	2,597,120
	20,655,850	14,926,695

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Notes to the condensed consolidated interim financial information (*continued*)
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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 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 September 2024 AED’000 (Unaudited)	31 December 2023 AED’000 (Audited)
At the beginning of the period/year	199,931	95,343
Excess collection during the period/year	33,086	104,588
At the end of the period/year	233,017	199,931

26 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.

Dubai Electricity and Water Authority PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the nine month period ended 30 September 2024 (unaudited)

26 Related party transactions and balances *(continued)*

Related party transactions

The material transactions and balances with related parties are disclosed below, except as disclosed in notes 6, 7, 8, 13, 16, 17, 20, 21, 22, 24, 25, 27, 28, 29, 32, 33 and 35 in these condensed consolidated interim financial information.

(a) Sale of electricity and water

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 differential between the value of these quantities supplied at subsidised rates and the approved rates, which is settled by the Department of Finance (DoF), Government of Dubai.

During the current period, the Group has collected AED 1,544 million *(for the nine month period ended 30 September 2023: AED 1,314 million)* from the Department of Finance (DOF), Government of Dubai, mainly in respect of UAE Nationals subsidy.

During the current period, the Group has earned AED 55 million *(for the nine month period ended 30 September 2023: AED 57 million)* in respect of handling charges on behalf of a related party (refer note 27).

(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 5,874 million *(for the nine month period ended 30 September 2023: AED 5,733 million)* from various entities.

During the current period, the Group purchased water amounting to AED 9 million *(for the nine month period ended 30 September 2023: AED 7 million)* from a related party of the Group.

(c) Transactions with banks owned by the 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 18 was included in deposit held with such banks.

	For the nine month period ended 30 September		For the three month period ended 30 September	
	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)
Proceeds from borrowings	3,750,000	-	2,750,000	-
Repayment of borrowings	6,000,000	2,400,000	4,100,000	1,000,000
Term deposits – matured	2,001,856	1,915,351	400,000	605,351
Term deposits – placed	(2,101,856)	(2,161,856)	(400,000)	(560,000)
UAE National Bonds and Sukuk				
Bonds – matured	547,233	684,544	144,581	253,610
UAE National Bonds and Sukuk				
Bonds – placed	(985,717)	(484,341)	(479,361)	(226,216)

Dubai Electricity and Water Authority PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the nine month period ended 30 September 2024 (unaudited)

26 Related party transactions and balances *(continued)*

Related party transactions *(continued)*

	For the nine month period ended 30 September		For the three month period ended 30 September	
(d) Compensation to key management personnel	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)
Salaries and short-term benefits	96,433	86,525	10,382	15,387
Post-employment benefits and long term benefits	2,566	1,785	1,219	614
	<u>98,999</u>	<u>88,310</u>	<u>11,601</u>	<u>16,001</u>
(e) Key management remuneration	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)
Board of directors' remuneration	<u>29,625</u>	<u>29,625</u>	<u>9,875</u>	<u>9,875</u>
(f) Dividend declared				

During the current period, the Group declared a dividend amounting to AED 6,200 million *(for the nine month period ended 30 September 2023: AED 7,870 million)*. Out of this dividend, 82% pertains to Dubai Investment Fund (DIF), Government of Dubai.

27 Revenue

	For the nine month period ended 30 September		For the three month period ended 30 September	
	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)
Sale of electricity	15,042,478	14,300,940	6,647,506	6,401,029
Sale of water	4,263,805	4,068,582	1,527,203	1,458,898
District cooling charges	2,439,615	2,252,499	1,090,885	1,043,434
Others	1,788,408	1,538,774	604,641	518,925
	<u>23,534,306</u>	<u>22,160,795</u>	<u>9,870,235</u>	<u>9,422,286</u>

The Group's operations and main revenue streams are those described in the annual consolidated financial statements for the year ended 31 December 2023. The Group's revenue is derived from contracts with customers, except for handling fees and amortisation of deferred revenue presented under 'Others'.

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Notes to the condensed consolidated interim financial information *(continued)* for the nine month period ended 30 September 2024 (unaudited)

27 Revenue *(continued)*

Others include:

- Handling fees amounting to AED 55 million *(for the nine month period ended 30 September 2023: AED 57 million)* represents amounts earned from a related party for providing collection services (refer note 26).
- Amortisation of deferred revenue amounted to AED 858 million *(for the nine month period ended 30 September 2023: AED 810 million)*.

27.1 Disaggregation of revenue

For the nine month period ended 30 September

Timing of revenue recognition	Electricity		Water		District cooling charges		Others		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	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	15,042,478	14,300,940	4,263,805	4,068,582	2,439,615	2,252,499	930,496	728,484	22,676,394	21,350,505
-over time	-	-	-	-	-	-	857,912	810,290	857,912	810,290
	<u>15,042,478</u>	<u>14,300,940</u>	<u>4,263,805</u>	<u>4,068,582</u>	<u>2,439,615</u>	<u>2,252,499</u>	<u>1,788,408</u>	<u>1,538,774</u>	<u>23,534,306</u>	<u>22,160,795</u>

For the three month period ended 30 September

Timing of revenue recognition	Electricity		Water		District cooling charges		Others		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	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	6,647,506	6,401,029	1,527,203	1,458,898	1,090,885	1,043,434	312,282	241,160	9,577,876	9,144,521
-over time	-	-	-	-	-	-	292,359	277,765	292,359	277,765
	<u>6,647,506</u>	<u>6,401,029</u>	<u>1,527,203</u>	<u>1,458,898</u>	<u>1,090,885</u>	<u>1,043,434</u>	<u>604,641</u>	<u>518,925</u>	<u>9,870,235</u>	<u>9,422,286</u>

28 Cost of sales

	For the nine month period ended 30 September		For the three month period ended 30 September	
	2024	2023	2024	2023
	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Generation, desalination and other direct expenditure (refer note 28.1)	9,855,514	9,071,933	3,681,068	3,337,385
Transmission and distribution expenditure (refer note 28.2)	3,742,285	3,603,157	1,270,431	1,215,634
Purchase of gas, power and water	914,873	639,994	570,262	379,838
	<u>14,512,672</u>	<u>13,315,084</u>	<u>5,521,761</u>	<u>4,932,857</u>

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Notes to the condensed consolidated interim financial information *(continued)*
for the nine month period ended 30 September 2024 (unaudited)

28 Cost of sales *(continued)*

28.1 Generation, desalination and other direct expenditure

	For the nine month period ended 30 September		For the three month period ended 30 September	
	2024	2023	2024	2023
	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Fuel costs	5,342,969	5,195,855	2,085,574	2,104,724
Depreciation (refer note 6)	2,377,872	1,874,112	822,083	643,770
Employee benefit expenses (refer note 33)	449,068	428,278	148,923	102,818
Repairs and maintenance	406,999	357,254	132,913	109,764
Amortisation (refer note 7)	9,117	9,117	3,039	3,039
Others	1,269,489	1,207,317	488,536	373,270
	<u>9,855,514</u>	<u>9,071,933</u>	<u>3,681,068</u>	<u>3,337,385</u>

28.2 Transmission and distribution expenditure

	For the nine month period ended 30 September		For the three month period ended 30 September	
	2024	2023	2024	2023
	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Depreciation (refer note 6)	2,291,435	2,209,963	785,322	752,823
Employee benefit expenses (refer note 33)	1,257,636	1,181,753	422,496	392,307
Repairs and maintenance	151,499	162,835	43,429	55,002
Others	41,715	48,606	19,184	15,502
	<u>3,742,285</u>	<u>3,603,157</u>	<u>1,270,431</u>	<u>1,215,634</u>

29 Administrative expenses

	For the nine month period ended 30 September		For the three month period ended 30 September	
	2024	2023	2024	2023
	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Employee benefit expenses (refer note 33)	1,303,114	1,269,401	444,472	445,505
Assets written off	261,113	-	-	-
Repairs and maintenance	253,916	227,093	115,152	101,177
Depreciation (refer note 6)	197,873	206,301	63,889	67,778
Amortisation (refer note 7)	51,105	49,262	14,149	17,310
Insurance	96,864	77,382	32,443	26,685
Others	535,327	223,031	282,659	114,688
	<u>2,699,312</u>	<u>2,052,470</u>	<u>952,764</u>	<u>773,143</u>

Dubai Electricity and Water Authority PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the nine month period ended 30 September 2024 (unaudited)

30 Credit impairment (reversal)/loss

	For the nine month period ended 30 September		For the three month period ended 30 September	
	2024	2023	2024	2023
	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Impairment loss on other receivables (refer note 13.2)	1,178	-	1,178	-
Impairment (reversal)/loss on trade receivables (refer note 16.1)	(47,581)	92,441	(18,756)	52,808
	<u>(46,403)</u>	<u>92,441</u>	<u>(17,578)</u>	<u>52,808</u>

31 Other income

	For the nine month period ended 30 September		For the three month period ended 30 September	
	2024	2023	2024	2023
	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sale of scrap	39,122	57,937	27,338	32,158
Insurance claims	262,859	8,879	1,874	2,865
Gain on disposal of property, plant and equipment	1,084	532	366	103
Miscellaneous income	185,142	85,237	102,014	30,548
	<u>488,207</u>	<u>152,585</u>	<u>131,592</u>	<u>65,674</u>

32 Finance income/(costs) – net

	For the nine month period ended 30 September		For the three month period ended 30 September	
	2024	2023	2024	2023
	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<i>Finance income</i>				
Interest income on short term bank deposits	263,422	329,980	88,426	93,570
Cash flow hedges – reclassified to profit or loss	462,801	291,969	175,463	116,038
Interest income on financial assets	3,082	3,149	1,034	1,120
Cash flow hedges – ineffective portion of changes in fair value of derivative financial instruments	2,198	5,169	-	-
Amortization of financial liabilities	12,801	29,915	(1,001)	8,923
	<u>744,304</u>	<u>660,182</u>	<u>263,922</u>	<u>219,651</u>
<i>Finance costs</i>				
Interest on bank and other borrowings	(1,917,239)	(1,817,209)	(580,741)	(625,980)
Amortization of arrangement fees	(10,729)	(19,327)	(2,705)	(5,064)
Cash flow hedges – ineffective portion of changes in fair value of derivative financial instruments	(2,847)	(121)	(2,847)	-
Interest on lease liabilities	(195)	(92)	(54)	(22)
	<u>(1,931,010)</u>	<u>(1,836,749)</u>	<u>(586,347)</u>	<u>(631,066)</u>
Amounts capitalised (refer note 6)	409,169	432,996	99,230	138,479
	<u>(1,521,841)</u>	<u>(1,403,753)</u>	<u>(487,117)</u>	<u>(492,587)</u>
Finance costs – net	<u>(777,537)</u>	<u>(743,571)</u>	<u>(223,195)</u>	<u>(272,936)</u>

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Notes to the condensed consolidated interim financial information *(continued)*
for the nine month period ended 30 September 2024 (unaudited)

33 Employee benefit expenses

	For the nine month period ended 30 September		For the three month period ended 30 September	
	2024	2023	2024	2023
	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Salaries	2,015,223	1,962,827	670,563	649,077
Bonus	271,210	285,194	90,180	68,668
Retirement benefit obligations (refer notes 21.1 and 21.2)	188,584	161,711	76,091	55,615
Other benefits	534,801	469,700	179,057	167,270
	<u>3,009,818</u>	<u>2,879,432</u>	<u>1,015,891</u>	<u>940,630</u>

34 Contingencies and commitments

	30 September 2024	31 December 2023
	AED'000	AED'000
	(Unaudited)	(Audited)
Future commitments including capital expenditure	<u>14,217,211</u>	<u>9,704,472</u>
Bank guarantees and letter of credits	<u>200,622</u>	<u>462,478</u>

35 Dividend

The Group declared a dividend amounting to AED 6,200 million during the period ended 30 September 2024 (30 September 2023: AED 6,200 million). During the period ended 30 September 2023, the Group also paid a special onetime dividend of AED 1,670 million. The dividend of AED 3,100 million that was outstanding as of 30 September 2024 was subsequently paid on 29 October 2024.

During the current period, EMPOWER declared a dividend of AED 850 million (30 September 2023: AED 850 million) which include an amount of AED 374 million (30 September 2023: AED 374 million) for non-controlling interest as dividend. The dividend of AED 425 million that was outstanding as of 30 September 2024 was subsequently paid on 18 October 2024.

In addition to above, Shuaa Energy 1 P.S.C declared a dividend of AED 4 million (30 September 2023: AED 4.2 million). An amount of AED 2 million (30 September 2023: AED 2 million) was paid to the non-controlling interest as dividend.

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Notes to the condensed consolidated interim financial information (*continued*)
for the nine month period ended 30 September 2024 (unaudited)

36 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 nine month period ended 30 September		For the three month period ended 30 September	
	2024	2023	2024	2023
	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Earnings				
Profit for the period, attributable to the Owners of the Company – before net movement in regulatory deferral account and after tax	<u>5,399,533</u>	<u>5,978,832</u>	<u>2,944,176</u>	<u>3,391,051</u>
Profit for the period, attributable to the Owners of the Company – after net movement in regulatory deferral account and after tax	<u>5,366,447</u>	<u>5,999,059</u>	<u>2,858,650</u>	<u>3,325,045</u>
	For the nine month period ended 30 September		For the three month period ended 30 September	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Number of shares in thousand				
Number of ordinary shares for basic earnings per share	<u>50,000,000</u>	<u>50,000,000</u>	<u>50,000,000</u>	<u>50,000,000</u>
	For the nine month period ended 30 September		For the three month period ended 30 September	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Earnings per share				
Basic earnings per share (AED) – before net movement in regulatory deferral account and after tax	<u>0.108</u>	<u>0.120</u>	<u>0.059</u>	<u>0.068</u>
Basic earnings per share (AED) – after net movement in regulatory deferral account and after tax	<u>0.107</u>	<u>0.120</u>	<u>0.057</u>	<u>0.067</u>

Dubai Electricity and Water Authority PJSC and its subsidiaries

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for the nine month period ended 30 September 2024 (unaudited)

37 Earnings before interest, taxes, depreciation, and amortization (EBITDA)

	For the nine month period ended 30 September		For the three month period ended 30 September	
	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)
Profit for the period after net movement in regulatory deferral account and tax	5,474,274	6,130,041	2,916,870	3,390,210
Tax expense	572,035	-	319,289	-
Profit for the year after net movement in regulatory deferral account and before tax	6,046,309	6,130,041	3,236,159	3,390,210
Adjustments for:				
Finance costs – net	777,537	743,571	223,195	272,936
Depreciation	4,867,180	4,290,376	1,671,294	1,464,371
Amortisation	60,222	58,379	17,188	20,349
EBITDA	11,751,248	11,222,367	5,147,836	5,147,866

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.

39 Subsequent events

- (a) Subsequent to the period end, the outstanding term loan of the Authority amounting to AED 1,150 million, has been repaid and settled.
- (b) Subsequent to the period end, one of the Group's subsidiaries, Shuaa Energy 1 P.S.C, successfully completed the refinancing of its bank borrowings, completely paying off conventional and Islamic loan of AED 826 million through an AED 239 million green bond issuance to the Hong Kong Mortgage Corporation (HKMC) and the remaining AED 551 million through a conventional loan from a commercial bank. The residual amount is settled by unwinding hedges to capture a positive mark-to-market (MTM) value and new hedging agreements with a notional value of AED 594 million were entered.