



FOR IMMEDIATE RELEASE:

TAQA Group Reports AED 11.6 billion Net Income for Q1 2023

*Board proposes interim dividend payment of 0.65 fils per share,
(approximately AED 731 million)*

Net income boost from acquisition of 5% stake in ADNOC Gas

Abu Dhabi, UAE – 15 May 2023: Abu Dhabi National Energy Company PJSC (“TAQA”, the “Group” or the “Company”), one of the largest listed integrated utilities in the region, reported a very strong first quarter for the period ending 31 March 2023. TAQA’s first quarter performance was driven by strong and stable returns from its long-term contracted utilities business and the one-off benefit of the transfer of its 5% stake in ADNOC Gas.

Financial highlights for Q1 2023:

- Group revenues of AED 13.1 billion, 6% higher than the prior-year period, primarily due to higher pass-through bulk supply tariffs and transmission use of system within the Transmission and Distribution segment.
- Adjusted EBITDA was AED 5.3 billion, down 5%.
- Net income (TAQA share) was AED 11.6 billion, an increase of AED 9.6 billion, mainly driven by a one-off gain recognised on the acquisition of a 5% shareholding in ADNOC Gas, in part offset by a one-off AED 1.2 billion deferred tax liability associated with the introduction of UAE corporate income tax from 1 January 2024. Net income excluding these one-off items was AED 1.9 billion, overall in line with the prior year.
- Capital expenditure was AED 1.1 billion, 26% higher than prior year.
- Free cash flow generation was AED 4.3 billion, 31% higher compared to the previous year, despite the higher capital expenditure.
- Gross debt was AED 59.8 billion, down from AED 61.7 billion at the end of 2022, further improving the Group’s credit metrics.

Strategic highlights for Q1 2023:

- **Mirfa 2 RO Plant:** TAQA and Engie signed a Water Purchase Agreement with EWEC for a 120 MIGD reverse osmosis (RO) plant in Abu Dhabi with financial close expected to follow shortly.
- **Taweelah B IWPP:** TAQA announced that it has acquired an additional 10% stake in the Taweelah B Independent Power and Water Plant (IWPP) in Abu

Dhabi and a 25% stake in the plant's operations and maintenance (O&M) company.

- **GHG Emissions reductions in 2022:** TAQA published its third sustainability report which outlined the Company's 8% reduction in GHG emissions in 2022, putting it firmly on track to achieve its 2030 targets.
- **New dividend policy for 2023-2025:** In view of the strategic decision to retain the Oil and Gas (O&G) business, at the AGA held in March, TAQA's shareholders approved an updated dividend policy for 2023 to 2025 based on a combination of fixed and variable dividend. Under the new structure, fixed dividends will be 3.25 fils/share in 2023, 3.50 fils/share in 2024 and 3.75 fils/share in 2025, paid quarterly. The variable dividend component will be paid annually and be based on a discretionary percentage of annual net profit from the O&G business.
- **Five percent stake in ADNOC Gas:** TAQA has had a long-standing strategic partnership with ADNOC, which continues to be solidified with recent transactions, such as the joint shareholding (along with Mubadala) of Masdar and the USD 3.8 billion project to decarbonize ADNOC's offshore operations. In recognition of this ongoing relationship, TAQA received from ADNOC a 5% interest of the total issued share capital of ADNOC Gas, with no cash consideration paid for this stake. ADNOC Gas was listed on the Abu Dhabi Securities Exchange during Q1 2023 and represents a significant financial asset for TAQA. Furthermore, TAQA's net income is set to benefit from dividends from ADNOC Gas. Based on ADNOC Gas' announced dividend policy, TAQA is expected to receive dividends worth AED 298 million in 2023, rising to AED 611 million by 2024.
- **Expansion into EV infrastructure with ADNOC Distribution:** TAQA and ADNOC Distribution has agreed to work together to establish a mobility joint venture, E2Go, to build and operate electric vehicle charging infrastructure in Abu Dhabi.

Operational highlights:

- Transmission network availability for power and water of 98.1%, compared to 98.0%, marginally higher versus the prior-year period.
- Generation global commercial availability of 98.8%, compared to 97.3% in the prior year, with the UAE plants in particular contributing to the increase.
- Oil & Gas average production volumes decreased to 119.9 thousand barrels of oil equivalent per day (boepd), a decrease of 5.52% on 2022. This decrease is mainly due to the natural decline in production and decommissioning activity associated with the Group's late-life UK assets.

Jasim Husain Thabet, TAQA's Group Chief Executive Officer and Managing Director, commented: "TAQA Group has closed a positive first quarter for 2023 with a significant boost to our net income from our new stake in ADNOC Gas. Outside of this, the company has made strong progress in delivering on our growth strategy alongside a steady financial performance. On the growth front, we started the year by expanding our stake in Taweelah B IWPP and further strengthened our capabilities by expanding into the plant's operations & maintenance, a key growth area for our business. We partnered with Engie to develop the Mirfa 2 RO plant, which will deliver 120 MIGD of desalinated water. This plant is another important step in expanding energy efficient RO technology in our desalination fleet as we promised. In addition, shareholders approved a new dividend policy for 2023 – 2025 which is based on a combination of fixed and variable dividends and will offer attractive returns to our shareholders and is in line with our evolving business model."

Upon approval of the financial results, TAQA's Board of Directors also declared a first interim cash dividend for the year of 0.65 fils per share (approximately AED 731 million), in line with the Company's [new dividend policy](#).

In addition to the Q1 2023 highlights, TAQA recently completed a dual tranche 5-year and 10-year bond offering. The successful placement of USD 0.5 billion 5-year and USD 1.0 billion 10-year senior unsecured notes was 10 times oversubscribed with demand from international investors and included TAQA's first ever company-issued green bond. These bonds were issued on the back of the Company establishing its first Green Finance Framework for the issuance of green bonds, sukuks, loans and other debt instruments. Proceeds from the issuance will go to eligible green projects.

The company also just hosted the successful second World Utilities Congress in Abu Dhabi which brought together major players across the entire utilities value chain, including ministers from over 20 countries.

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About TAQA

Established in 2005, TAQA is a diversified utilities and energy group headquartered in Abu Dhabi, the capital of the United Arab Emirates, and listed on the Abu Dhabi

Securities Exchange (ADX: TAQA). TAQA has significant investments in power and water generation, transmission and distribution assets, as well as upstream and midstream oil and gas operations. The Company's assets are in the United Arab Emirates as well as Canada, Ghana, India, Iraq, Morocco, Oman, the Netherlands, Saudi Arabia, the United Kingdom and the United States. For more information, please visit: www.taqa.com.