Abu Dhabi National Energy Company PJSC
(“TAQA”)

REVIEW REPORT AND INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED
31 MARCH 2023 (UNAUDITED)

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REPORT ON REVIEW OF CONDENSED FINANCIAL STATEMENTS
THE BOARD OF DIRECTORS
ABU DHABI NATIONAL ENERGY COMPANY PJSC ("TAQA")

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Abu Dhabi National Energy Company PJSC ("the Company") ("TAQA") and its subsidiaries (together referred to as "the Group") as of 31 March 2023, and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard (IAS) 34, "*Interim Financial Reporting*". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statement is not prepared, in all material respects in accordance with IAS 34, "*Interim Financial Reporting*".

Deloitte & Touche (M.E.)

Obada Alkowatly
Registration No. 1056
12 May 2023
Abu Dhabi
United Arab Emirates

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
Three month period ended 31 March 2023 (Unaudited)

	Notes	***31 March 2023 AED million***	*31 March 2022 AED million*
REVENUES			
Revenue from generation of power and water	3.1	**3,141**	2,887
Revenue from transmission and distribution of power and water	3.2	**7,499**	6,451
Revenue from oil and gas	3.3	**2,499**	3,075
		13,139	12,413
COST OF SALES			
Operating expenses		**(7,391)**	(6,539)
Depreciation, depletion and amortisation		**(2,316)**	(2,382)
		(9,707)	(8,921)
GROSS PROFIT		**3,432**	3,492
General and administrative expenses		**(519)**	(408)
Finance costs		**(693)**	(743)
Net foreign exchange loss		**(41)**	(34)
Gain on recognition of an investment	17	**10,784**	-
Share of results of associates and joint ventures		**82**	147
Interest income		**77**	6
Other income		**66**	42
PROFIT BEFORE TAX		**13,188**	2,502
Income tax expense	4	**(1,686)**	(609)
PROFIT FOR THE PERIOD		**11,502**	1,893
Attributable to:			
Equity holders of the parent		**11,572**	1,971
Non-controlling interests		**(70)**	(78)
PROFIT FOR THE PERIOD		**11,502**	1,893
Basic and diluted earnings per share attributable to equity holders of the parent (AED)	5	**0.10**	0.02

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Three month period ended 31 March 2023 (Unaudited)

	Notes	***31 March*** ***2023*** ***AED million***	*2022* *AED million*
PROFIT FOR THE PERIOD		**11,502**	1,893
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified to statement of profit or loss in subsequent periods:			
Changes in fair values of derivative instruments in cash flow hedges		**(83)**	1,076
Share of other comprehensive income of joint ventures		**(82)**	35
Exchange differences arising on translation of overseas operations		**26**	(44)
		(139)	1,067
Items not to be reclassified to statement of profit or loss in subsequent periods:			
Changes in fair value of investments carried at fair value through OCI	17	**729**	-
Remeasurement gain on defined benefit plans		**6**	-
		735	-
NET OTHER COMPREHENSIVE INCOME FOR THE PERIOD		**596**	1,067
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**12,098**	2,960
Attributable to:			
Equity holders of the parent		**12,210**	2,610
Non-controlling interests		**(112)**	350
		12,098	2,960

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2023 (Unaudited)

	Notes	***31 March 2023 AED million***	*(Audited) 31 December 2022 AED million*
ASSETS			
Non-current assets			
Property, plant and equipment	7	**117,361**	117,470
Operating financial assets		**7,851**	7,917
Intangible assets		**16,414**	16,708
Investments carried at fair value through other comprehensive income	17	**11,513**	-
Investment in and loans to associates and joint ventures	18	**7,099**	6,515
Deferred tax assets		**6,594**	6,678
Derivative financial instruments	14	**286**	428
Other assets	4	**862**	889
		167,980	156,605
Current assets			
Inventories		**3,474**	3,402
Amounts due from related parties	12	**1,859**	1,760
Operating financial assets		**1,228**	1,253
Accounts receivable and prepayments		**7,459**	7,333
Derivative financial instruments	14	**124**	75
Income tax prepaid		**412**	424
Cash and short term deposits	8	**8,180**	10,422
		22,736	24,669
Assets classified as held for sale	19	-	234
TOTAL ASSETS		**190,716**	181,508
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		**112,434**	112,434
Merger reserve	9	**(56,443)**	(56,443)
Statutory reserve	9	**2,937**	1,780
Retained earnings		**15,794**	9,002
Foreign currency translation reserve		**(91)**	(117)
Cumulative changes in fair value of derivatives in cash flow hedges		**3,600**	3,723
Cumulative changes in fair value of investments	17	**729**	-
		78,960	70,379
Non-controlling interests		**6,758**	7,197
Loans from non-controlling interest shareholders in subsidiaries		**143**	165
Total non-controlling interest, including loans		**6,901**	7,362
TOTAL EQUITY		**85,861**	77,741

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION continued
As at 31 March 2023 (Unaudited)

	Notes	***31 March 2023 AED million***	*(Audited) 31 December 2022 AED million*
Non-current liabilities			
Interest bearing loans and borrowings	10	**53,073**	50,484
Deferred tax liabilities		**2,496**	1,330
Asset retirement obligations		**14,466**	13,989
Derivative financial instruments	14	**514**	537
Other liabilities		**2,579**	1,853
		73,128	68,193
Current liabilities			
Accounts payable, accruals and other liabilities		**18,674**	18,047
Interest bearing loans and borrowings	10	**6,652**	11,129
Islamic loans	10	**46**	92
Amounts due to related parties	12	**5,031**	4,129
Bank overdrafts	8	**2**	37
Income tax payable		**1,120**	1,098
Derivative financial instruments	14	**202**	224
		31,727	34,756
Liabilities directly associated with assets classified as held for sale	19	-	818
TOTAL LIABILITIES		**104,855**	103,767
TOTAL EQUITY AND LIABILITIES		**190,716**	181,508

To the best of our knowledge, the financial information included in these interim condensed consolidated financial statements fairly presents in all material respects the financial condition, results of operation and cash flows of the Group as of, and for, the periods presented therein. The interim condensed consolidated financial statements were approved by the Board of Directors on 12 May 2023 and signed on its behalf by:

CHAIRMAN OF THE
BOARD OF DIRECTORS

CHAIRMAN OF THE
AUDIT COMMITTEE

GROUP CHIEF EXECUTIVE OFFICER
& MANAGING DIRECTOR

CHIEF FINANCIAL OFFICER

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Three month period ended 31 March 2023 (Unaudited)

	Attributable to equity holders of the parent										
	Share capital AED million	*Merger reserve AED million*	*Statutory reserves AED million*	*Retained earnings AED million*	*Foreign currency translation reserve AED million*	*Cumulative changes in fair value of derivatives AED million*	*Cumulative changes in fair value of investments AED million*	***Total AED million***	*Non-controlling interests AED million*	*Loans from non-controlling interest shareholders in subsidiaries AED million*	***Total equity AED million***
Balance at 1 January 2022 (audited)	112,434	(56,443)	977	7,284	6	1,646	-	65,904	6,943	355	73,202
Profit for the period	-	-	-	1,971	-	-	-	1,971	(78)	-	1,893
Other comprehensive income for the period	-	-	-	-	(44)	683	-	639	428	-	1,067
Total comprehensive income for the period	-	-	-	1,971	(44)	683	-	2,610	350	-	2,960
Dividends (note 16)	-	-	-	(3,486)	-	-	-	(3,486)	(212)	-	(3,698)
Transfer to reserves	-	-	197	(197)	-	-	-	-	-	-	-
Repayment of loans	-	-	-	-	-	-	-	-	-	(123)	(123)
Balance at 31 March 2022 (unaudited)	112,434	(56,443)	1,174	5,572	(38)	2,329	-	65,028	7,081	232	72,341
Balance at 1 January 2023 (audited)	112,434	(56,443)	1,780	9,002	(117)	3,723	-	70,379	7,197	165	77,741
Profit for the period	-	-	-	11,572	-	-	-	11,572	(70)	-	11,502
Other comprehensive income for the period	-	-	-	6	26	(123)	729	638	(42)	-	596
Total comprehensive income for the period	-	-	-	11,578	26	(123)	729	12,210	(112)	-	12,098
Dividends (note 16)	-	-	-	(3,714)	-	-	-	(3,714)	(58)	-	(3,772)
Transfer to reserves	-	-	1,157	(1,157)	-	-	-	-	-	-	-
Group ownership modification	-	-	-	85	-	-	-	85	(269)	-	(184)
Repayment of loans	-	-	-	-	-	-	-	-	-	(22)	(22)
Balance at 31 March 2023 (unaudited)	**112,434**	**(56,443)**	**2,937**	**15,794**	**(91)**	**3,600**	**729**	**78,960**	**6,758**	**143**	**85,861**

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
Three month period ended 31 March 2023 (Unaudited)

	Notes	***31 March 2023 AED million***	*31 March 2022 AED million*
OPERATING ACTIVITIES			
Profit before tax		**13,188**	2,502
Adjustments for:			
Depreciation, depletion and amortisation		**2,316**	2,382
Loss (gain) on exchange - loans and borrowings and operating financial assets		**(5)**	30
Finance costs		**693**	743
Share of results of associates and joint ventures		**(82)**	(147)
Interest income		**(77)**	(6)
Gain on recognition of an investment	17	**(10,784)**	-
Other movements		**(30)**	55
Revenue from operating financial assets		**(356)**	(368)
		(8,325)	2,689
Working capital changes:			
Inventories		**(42)**	121
Accounts receivables and prepayments		**74**	(546)
Amounts due from related parties		**(99)**	(853)
Amounts due to related parties		**902**	284
Accounts payable, accruals and other liabilities		**599**	119
Income tax paid		**(567)**	(332)
Asset retirement obligation payments		**(208)**	(209)
Cash received from operating financial assets		**499**	469
		1,158	(947)
Net cash generated from operating activities		**6,021**	4,244
INVESTING ACTIVITIES			
Purchases of property, plant and equipment	7	**(1,072)**	(1,017)
Purchase of share in a subsidiary		**(204)**	**-**
(Advances to)/ receipts from associates and joint ventures	12	**(567)**	6
Interest received		**77**	6
Other movements		**24**	18
Net cash used in investing activities		**(1,742)**	(987)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS continued
Three month period ended 31 March 2023 (Unaudited)

	Notes	***31 March 2023 AED million***	*31 March 2022 AED million*
FINANCING ACTIVITIES			
Repayments of interest bearing loans and borrowings	10	**(4,680)**	(2,817)
Interest bearing loans and borrowings received	10	**2,843**	2,574
Repayments of Islamic loans	10	**(46)**	(614)
Payments of lease liabilities	10	**(32)**	(24)
Payments of derivative financial instruments		-	(361)
Interest paid		**(709)**	(685)
Dividend paid to non-controlling interest shareholders		**(138)**	(149)
Dividend paid to shareholders		**(3,714)**	(3,486)
Repayment of loans to non-controlling interest shareholders		**(22)**	(123)
Net cash used in financing activities		**(6,498)**	(5,685)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(2,219)**	(2,428)
Net foreign exchange difference		**12**	(36)
Restricted cash movement		**(3)**	14
Cash and cash equivalents at 1 January		**10,123**	8,422
CASH AND CASH EQUIVALENTS AT 31 MARCH	8	**7,913**	5,972

Significant non-cash transactions:

In the period ended 31 March 2023, assets with a value of AED 753 million were transferred to Abu Dhabi Transmission & Despatch Company PJSC. As the assets were transferred at nil cost to the company there are no transactions to reflect in the interim consolidated statement of cash flows, however the amount has been recorded within ‘Property, plant and equipment’ on the interim consolidated statement of financial position.

In the period, an equity investment with a fair value of AED 10,784 million at initial recognition was transferred to Abu Dhabi National Energy Company PJSC (TAQA). This represents a 5% holding of the total issued share capital of ADNOC Gas plc, an entity listed on the Abu Dhabi Securities Exchange (ADX). This amount has not been reflected in the interim consolidated statement of cash flows, however the amount has been recorded on the interim consolidated statement of financial position. Further details are provided in note 17.

1 CORPORATE INFORMATION

Abu Dhabi National Energy Company PJSC ("TAQA" or the "Company") was established on 21 June 2005 pursuant to the provisions of Emiri Decree number 16/2005 as a public joint stock company.

TAQA is a subsidiary of Abu Dhabi Power Corporation ("ADPC") and is listed on the Abu Dhabi Securities Exchange. ADPC's ownership represents 90.0% of the entire issued share capital of TAQA with the remainder 5.1% being held by Norm Commercial Investments – One Person Company and 4.9% held by other shareholders including the public. ADPC is a 100% owned by Abu Dhabi Developmental Holding Company ("ADQ").

TAQA is a diversified utilities and energy company with significant strategic power and water generation assets in its domestic market in the UAE and operates internationally across the energy value chain from upstream and midstream oil and gas through to power generation.

TAQA's registered head office is at 25th Floor, Al Maqam Tower, Abu Dhabi Global Market Square, PO Box 55224, Abu Dhabi, United Arab Emirates.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the three months period ended 31 March 2023 have been prepared in accordance with International Accounting Standard IAS 34, *Interim Financial Reporting*.

The interim condensed consolidated financial statements have been presented in United Arab Emirates Dirhams ("AED"), which is the functional currency of the Company and presentation currency of the Group. All values are rounded to the nearest million (AED million) except where otherwise indicated.

The interim condensed consolidated financial statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2022. In addition, results for the three months ended 31 March 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

As at 31 March 2023, retained earnings of the Group are AED 15,794 million (31 December 2022: AED 9,002 million). As at 31 March 2023, the current liabilities of the Group exceed its current assets by AED 8,991 million (31 December 2022: by AED 10,087 million). The Group has sufficient short to medium term liquidity to meet ongoing commitments and upcoming debt repayments in the ordinary course of business. Therefore it is concluded that there are sufficient resources available to support the going concern assumption being appropriate for the preparation of the interim condensed consolidated financial statements for the three month period ended 31 March 2023.

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (UAE CT Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The Corporate Tax Law shall apply to Tax Periods commencing on or after 1 June 2023 (where the Tax Period is generally aligned with the financial accounting period).

Decision No. 116 of 2022 (published in December 2022 and considered to be effective from 16 January 2023) specifies that taxable income not exceeding AED 375,000 would be subject to a 0% UAE CT rate, and taxable income exceeding AED 375,000 would be subject to the 9% UAE CT rate. With the publication of this Decision, the UAE CT Law is considered to be substantively enacted at the interim reporting date of 31 March 2023 and for the purposes of accounting for Income Taxes.

The UAE CT Law is subject to further clarification by supplemental Decisions of the Cabinet of Ministers of the UAE (Decisions). Such Decisions and other interpretive guidance of the UAE Federal Tax Authority are required to fully evaluate the impact of the UAE CT Law on TAQA.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES continued

2.1 BASIS OF PREPARATION continued

The Group should be subject to the provisions of the UAE CT Law with effect from 1 January 2024, and current taxes shall be accounted for as appropriate in the financial statements for the period beginning 1 January 2024. In accordance with IAS 12 Income Taxes, the related deferred tax accounting impact has been considered for the interim financial period ended 31 March 2023.

Following the assessment of the potential impact of the UAE CT Law on the interim consolidated statement of financial position, the Group considers that temporary differences arise in respect of certain Purchase Price Allocation (PPA) adjustments carried on it's interim consolidated statement of financial position and attributable to certain UAE-based Group entities. As a result, the Company has recognised a net deferred tax liability of AED 1,198 million in the interim period to 31 March 2023), on the basis that the UAE-based entities to which those PPA adjustments are attributed should be subject to UAE CT in the future

No other potential deferred tax assets or liabilities have been identified at 31 March 2023. The Group will continue to assess the expected impact of the UAE CT Law on its operations and investments, and to monitor the publication of subsequent Decisions and related guidance, as well as continuing its more detailed review of its financial matters, to consider any changes to this position at subsequent reporting dates

The geopolitical situation in Eastern Europe intensified on 24 February 2022 with the commencement of the conflict between Russia and Ukraine. As at the date of authorising these consolidated financial statements for issue, the conflict continues to evolve as military activity proceeds. Management has considered the unique circumstances and the possible risks and exposures of the Group and has concluded that there is no significant impact on the Group interim condensed consolidated financial statements. Similarly, the situation is not expected to have any material impact on the business operations. Management will continue to monitor the situation closely including the impact on commodity price assumptions and will assess the need for any action as required.

Following the international arbitration ruling on the Iraq-Turkey oil pipeline dispute, operations at TAQA Atrush in Iraq and part of the oil and gas segment have been shut down. The shut down began on 25 March 2023 and although Turkey, Iraq's federal government and the KRG are in talks on how to reach a mutual agreement over the northern Iraqi exports, it remains unresolved. TAQA management is monitoring the situation and assessing different courses of action.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES continued

2.2 SIGNIFICANT ACCOUNTING POLICIES

The Group has consistently applied the accounting policies as applied by the Group in the annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of the following new standards and interpretations effective as of 1 January 2023 which have not caused any material impact on the Group's interim condensed consolidated financial statements.

- IFRS 17 Insurance Contracts
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4).

The Group has not early adopted the following standards, interpretations or amendments that have been issued but not yet effective. These are not expected to have any material impact on the Group's consolidated financial statements.

- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date not yet decided).
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) (effective from 1 January 2024)
- Non-current Liabilities with Covenants (Amendments to IAS 1) (effective from 1 January 2024)

The critical judgements and estimates used in the preparation of these interim condensed consolidated financial information are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2022, with the exception of the below:

A new critical judgement was exercised in determining whether the transfer of ADNOC Gas Pls ("ADNOC Gas") shares from Abu Dhabi National Oil Company PJSC ("ADNOC") are considered to be government grant in accordance with IAS 20 or considered as contribution in kind. Management is satisfied that the transfer of ADNOC Gas shares is not an equity contribution. Management considered the detailed criteria of IAS 20, and concluded that it represents a grant and the gain on initial recognition in the interim condensed consolidated profit or loss is appropriate.

3 REVENUE

3.1 Revenue from generation of power and water

	31 March	
	2023	*2022*
	AED million	*AED million*
Operating lease revenue	**1,422**	1,300
Revenue from operating financial assets	**356**	368
Sale of power	**-**	39
Energy payments and other related revenue	**395**	354
Fuel revenue *	**918**	721
Other revenue	**50**	105
	------	-------
	3,141	2,887
	====	====

*Fuel revenue represents reimbursements from the offtakers of the power and water subsidiaries for fuel consumed in power generation in accordance with the terms of the power and water purchase agreements and the power purchase agreements.

All revenue from generation of power and water is recognised at a point in time, with the exception of revenue from operating financial assets which is recognised over time.

3.2 Revenue from transmission and distribution of power and water

	31 March	
	2023	*2022*
	AED million	*AED million*
Transmission use of system (TUOS) charges for unlicensed activities	**271**	256
Revenue from supply and distribution of power and water	**2,912**	2,662
Distribution connection and meter installation fees	**76**	73
Water coupons	**18**	21
Other operating revenue	**4,222**	3,439
	-------	-------
	7,499	6,451
	====	====

Other operating revenue for sales of water and electricity is calculated as the difference between its Maximum Allowed Revenue ("MAR") determined in its Regulatory Control Framework (issued by the DoE) and revenue relating to supply and distribution of water and electricity from its customers. Accordingly, the Group recognised this revenue relating to supply and distribution of water and electricity based on those rights and rewards that are confirmed during the period.

All revenue from transmission and distribution of power and water is recognised at a point in time.

3 REVENUE continued

3.3 Revenue from oil and gas

	31 March 2023 AED million	*31 March 2022 AED million*
Gross oil and gas revenue	**2,207**	3,102
Less: royalties	**(136)**	(135)
	------	------
	2,071	2,967
Gas storage revenue	**143**	47
Net processing income	**50**	55
Other revenue	**235**	6
	------	------
	2,499	3,075
	====	====

All revenue from oil and gas recognised at a point in time, with the exception of gas storage revenue which is recognised over time.

4 INCOME TAX

	31 March 2023 AED million	*31 March 2022 AED million*
Current income tax:		
Current income tax charge	**422**	495
Deferred income tax:		
Relating to origination and reversal of temporary differences	**66**	114
Relating to enactment of UAE corporate income tax*	**1,198**	-
	-------	-------
Income tax expense	**1,686**	609
	====	====

*The deferred income tax expense for the period ended 31 March 2023 of AED 1,198 million (31 March 2022: nil) relate to the initial recognition of a deferred tax liability in respect of Purchase Price Allocation (PPA) adjustments carried on the Group's interim consolidated statement of financial position and attributable to certain UAE-based Group entities. While the PPA adjustments relate to a corporate transaction completed in prior accounting periods, the deferred tax liability arises due to the introduction of the UAE CT Law in the UAE, and on the basis that the UAE-based entities to which those PPA adjustments are attributed should be subject to UAE CT in the future.

Tax for the three month period is charged at 38% (31 March 2022: 34%), representing the best estimate of the average annual effective tax rate expected for the full year, applied to the pre-tax income of the three month period.

5 BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

Basic earnings per share amounts are calculated by dividing earnings for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the earnings attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding during the period, adjusted for the effects of dilutive instruments.

The following reflects the profit and share data used in the earnings per share computations:

	31 March	
	2023	*2022*
Profit for the period attributable to equity holders of the parent (*AED million*)	**11,572**	1,971
Weighted average number of ordinary shares issued (million)	**112,434**	112,434
Basic earnings per share (AED)	**0.10**	0.02

No figure for diluted earnings per share has been presented as the Group has not issued any instruments which would have an impact on earnings per share when exercised.

6 OPERATING SEGMENT INFORMATION

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM), and for which discrete financial information is available. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer (CEO) of TAQA.

For this purpose, the Group is organised into business units based on their geography, products and services, and has three reportable operating segments as follows:

- Power and Water Generation Segment
- Power and Water Transmission & Distribution Segment
- Oil and Gas Segment

Power and Water Generation Segment
This segment is engaged in generation of electricity and production of desalinated water for supply in UAE and generation of electricity in Morocco, India, Ghana, and Saudi Arabia. It also includes investments in joint ventures and associates which hold a number assets focused in renewable energy and sustainable development in various countries.

Power and Water Transmission & Distribution Segment
This segment is engaged in transmission and distribution of water and electricity from the generation and desalination plants in the UAE.

Oil and Gas Segment
This segment is engaged in Upstream and Midstream oil and gas activities in Canada and Netherlands and Upstream oil and gas activities in United Kingdom and Kurdistan, Iraq.

Several operating segments have been aggregated to form the above reportable operating segments which are provided below:

Power and Water Generation – UAE Power and Water Generation – Others	Generation
Power and Water Transmission & Distribution – UAE	Transmission & Distribution
Oil and Gas – North America Oil and Gas – Europe Oil and Gas – Iraq	Oil & Gas

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on ‘profit or loss for the period’ as detailed in the following table. Interest bearing loans and borrowings and Islamic loans except for the subsidiaries with project financing arrangements are managed on a group basis and are not allocated to operating segments.

The majority of the Group’s revenues, profits, and assets relate to its operations in the United Arab Emirates.

Investment in certain associates with activities other than power and water generation and oil and gas and available for sale investments are managed on a group basis and are therefore not allocated to operating segments.

6 OPERATING SEGMENT INFORMATION continued

The following table presents revenue and profit information for the Group's operating segments:

	Transmission & Distribution AED million	*Generation AED million*	*Oil & Gas AED million*	*Adjustments, eliminations & unallocated AED million*	*Consolidated AED million*
Period ended 31 March 2023:					
Revenue from external customers	**7,499**	**3,141**	**2,499**	**-**	**13,139**
Operating expenses	**(5,047)**	**(1,440)**	**(914)**	**10**	**(7,391)**
Depreciation, depletion and amortisation	**(971)**	**(1,116)**	**(236)**	**7**	**(2,316)**
Gross profit	**1,481**	**585**	**1,349**	**17**	**3,432**
General and administrative expenses	**(315)**	**(57)**	**(51)**	**(96)**	**(519)**
Finance costs	**-**	**(418)**	**(104)**	**(171)**	**(693)**
Net foreign exchange (losses) gains	**-**	**7**	**(11)**	**(37)**	**(41)**
Gain on recognition of an investment	**-**	**-**	**-**	**10,784**	**10,784**
Share of results of associates and joint ventures	**-**	**78**	**-**	**4**	**82**
Other income	**37**	**3**	**11**	**15**	**66**
Interest income	**29**	**50**	**63**	**(65)**	**77**
Income tax (expense) credit	**(1,030)**	**(226)**	**(519)**	**89**	**(1,686)**
Profit for the period	**202**	**22**	**738**	**10,540**	**11,502**
Non-controlling interests	**-**	**70**	**-**	**-**	**70**
Profit for the period Attributable to equity holders of the parent	**202**	**92**	**738**	**10,540**	**11,572**

	Transmission & Distribution AED million	*Generation AED million*	*Oil & Gas AED million*	*Adjustments, eliminations & unallocated AED million*	*Consolidated AED million*
Period ended 31 March 2022:					
Revenue from external customers	6,451	2,887	3,075	-	12,413
Operating expenses	(4,183)	(1,238)	(1,119)	1	(6,539)
Depreciation, depletion and amortisation	(1,017)	(1,155)	(219)	9	(2,382)
Gross profit	1,251	494	1,737	10	3,492
General and administrative expenses	(267)	(66)	(51)	(24)	(408)
Finance costs	-	(444)	(111)	(188)	(743)
Net foreign exchange (losses) gains	-	(74)	19	21	(34)
Share of results of associates and joint ventures	-	149	-	(2)	147
Other income	9	40	(1)	(6)	42
Interest income	-	6	-	-	6
Income tax (expense) credit	-	(125)	(502)	18	(609)
Profit (loss) for the period	993	(20)	1,091	(171)	1,893
Non-controlling interests	-	78	-	-	78
Profit (loss) for the period Attributable to equity holders of the parent	993	58	1,091	(171)	1,971

6 OPERATING SEGMENT INFORMATION continued

The following table presents segment assets and liabilities of the Group's operating segments:

	Transmission & Distribution AED million	*Generation AED million*	*Oil & Gas AED million*	*Adjustments, eliminations & unallocated AED million*	*Consolidated AED million*
At 31 March 2023					
Property, plant and equipment	**82,600**	**29,763**	**4,998**	**-**	**117,361**
Operating financial assets	**-**	**9,079**	**-**	**-**	**9,079**
Investment in associates, joint ventures and related balances	**797**	**5,946**	**-**	**356**	**7,099**
Intangible assets	**4,755**	**11,618**	**41**	**-**	**16,414**
Deferred tax assets	**-**	**63**	**6,431**	**100**	**6,594**
Investments carried at FVOCI	**-**	**-**	**-**	**11,513**	**11,513**
Other assets	**4,890**	**10,102**	**2,769**	**4,895**	**22,656**
Segment assets	**93,042**	**66,571**	**14,239**	**16,864**	**190,716**
Segment liabilities	**19,860**	**42,136**	**16,418**	**26,441**	**104,855**

	Transmission & Distribution AED million	*Generation AED million*	*Oil & Gas AED million*	*Adjustments, eliminations & unallocated AED million*	*Consolidated AED million*
At 31 December 2022(audited)					
Property, plant and equipment	82,147	30,508	4,811	4	117,470
Operating financial assets	-	9,170	-	-	9,170
Investment in associates, joint ventures and related balances	797	5,366	-	352	6,515
Intangible assets	4,755	11,927	26	-	16,708
Deferred tax assets	63	-	6,517	98	6,678
Other assets	4,851	9,959	2,350	7,573	24,733
Assets classified as held for sale	-	-	234	-	234
Segment assets	92,613	66,930	13,938	8,027	181,508
Liabilities directly associated with assets Classified as held for sale	-	-	818	-	818
Segment liabilities	17,114	42,647	16,723	27,283	103,767

7 PROPERTY, PLANT AND EQUIPMENT

During the three month period ended 31 March 2023, the Group incurred capital expenditure of AED 1,107 million (31 March 2022: AED 867 million) and a depreciation and depletion charge of AED 2,052 million (31 March 2022: AED 1,974 million).

8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the interim consolidated statement of cash flows comprise the following amounts:

	At 31 March 2023 (Unaudited) AED million	*At 31 December 2022 (Audited) AED million*	*At 31 March 2022 (Unaudited) AED million*
Cash in hand and at banks	**4,417**	5,810	3,503
Short term deposits	**3,763**	4,612	2,809
Total cash and short term deposits	**8,180**	10,422	6,312
Restricted cash	**(265)**	(262)	(305)
Bank overdrafts	**(2)**	(37)	(35)
Net cash and cash equivalents	**7,913**	10,123	5,972

Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. Bank overdrafts carry interest at floating rates and are secured by guarantees from certain shareholders of the subsidiaries.

At 31 March 2023, the Group had available undrawn committed borrowing facilities of AED 10,968 million (31 December 2022: AED 13,582 million and 31 March 2022: AED 13,344 million) in respect of which all conditions precedent have been met.

9 OTHER EQUITY

	At 31 March 2023 (Unaudited) AED million	*At 31 December 2022 (Audited) AED million*
Statutory reserve *(i)*	**2,937**	1,780
Merger reserve *(ii)*	**(56,443)**	(56,443)

(i) Statutory reserve

As required by the UAE Federal Law No. 32 of 2021 and Article 34 of the Articles of Association of TAQA, 10% of the profit for the year is transferred to a statutory reserve. The Company may resolve to discontinue such transfers when the reserve equals 50% of the share capital. The reserve is not available for distribution.

9 OTHER EQUITY continued

(ii) Merger reserve

On 1 July 2020, the Company completed a transaction whereby ADPC contributed the majority of its power and water generation, transmission and distribution assets to TAQA. In this transaction, Abu Dhabi Transmission & Despatch Company PJSC (TransCo) was determined to be the accounting acquirer (or legal acquiree) given its relative size within the combining entities and TAQA was determined to be the legal acquirer (or the accounting acquiree) which resulted in a reverse acquisition. In accordance with IFRS 3 and per the principles of reverse acquisition, the equity structure appearing in these consolidated financial statements reflects the capital structure (number of shares) of the legal acquirer (TAQA), including the shares issued by TAQA to ADPC to effect the business combination. This resulted in the creation of a 'Merger reserve' as at 1 July 2020, being the difference between the capital structure of the legal acquirer (TAQA) and the capital structure of the accounting acquirer (TransCo).

10 INTEREST BEARING LOANS AND BORROWINGS AND ISLAMIC LOANS

	31 March 2023 AED million	*31 March 2022 AED million*
The Group had the following loan receipts / repayments during the period:		
Repayments:		
Interest bearing loans and borrowings	**(4,680)**	(2,817)
Islamic loans	**(46)**	(614)
	=====	===
Receipts:		
Interest bearing loans and borrowings	**2,843**	2,574
	=====	===

2023

On 12 January 2023, the Group's AED 3,631 million bond (US $989 million) matured and was repaid in full.

On 6 March 2023, the Group utilised AED 2,754 million (US $750 million) of its revolving credit facility. Amounts borrowed carry interest of SOFR plus a margin.

At 31 March 2023, Fujairah Asia Power Company PJSC (FAPCO) was in breach of a loan covenant. This covenant breach was a result of a delay in the restructuring of the international shareholder interests in FAPCO. The international shareholder is in the process of rectifying the default and is expected to be resolved in 2023. As a result of the breach, the full amount of the debt has been classified as current liabilities in the statement of financial position. Discussions with the lenders are ongoing and the breach of covenants is not expected to cause the lenders to request for the immediate repayment of the loan facility

2022

On 17 January 2022, Sweihan PV Power Company PJSC refinanced it existing debt facilities with green senior secured bonds of AED 2,574 million (US $700.8 million). The bonds were issued at a 3.63% coupon rate maturing on 31 January 2049.

On 3 March 2022, the Group's MYR 650 million (AED 571 million) Islamic loan matured and was repaid in full.

10 INTEREST BEARING LOANS AND BORROWINGS AND ISLAMIC LOANS continued

Changes in liabilities arising from financing activities

	1 January 2023 AED million	***Cash flows (note i) AED million***	***Other (note ii) AED million***	***31 March 2023 AED million***
2023				
Current:				
Interest bearing loans and borrowings	**11,129**	**(4,591)**	**114**	**6,652**
Islamic loans	**92**	**(46)**	**-**	**46**
Lease liabilities	**125**	**(32)**	**143**	**236**
	11,346	**(4,669)**	**257**	**6,934**
Non-current:				
Interest bearing loans and borrowings	**50,484**	**2,754**	**(165)**	**53,073**
Lease liabilities	**443**	**-**	**(140)**	**303**
	50,927	**2,754**	**(305)**	**53,376**
	62,273	**(1,915)**	**(48)**	**60,310**

	1 January 2022 AED million	*Cash flows (note i) AED million*	*Other (note ii) AED million*	*31 March 2022 AED million*
2022				
Current:				
Interest bearing loans and borrowings	2,843	(662)	4,132	6,313
Islamic loans	661	(614)	41	88
Lease liabilities	138	(24)	113	227
	3,642	(1,300)	4,286	6,628
Non-current:				
Interest bearing loans and borrowings	61,369	419	(4,381)	57,407
Islamic loans	92	-	(46)	46
Lease liabilities	388	-	(27)	361
	61,849	419	(4,454)	57,814
	65,491	(881)	(168)	64,442

(i) The cash flows relates to the net movements in interest bearing loans and borrowings and Islamic loans as detailed in the cash flow statement.

(ii) This includes reclassifications between non-current and current, prepaid finance cost accruals and payments, foreign exchange differences and fair value adjustments.

11 SEASONALITY OF OPERATIONS

Due to higher electricity demand in the summer period in the United Arab Emirates, higher revenues and operating profits are usually expected for the power and water generation domestic subsidiaries in the second and third quarters of the year compared to the first and fourth quarters of the year.

Due to high demand for natural gas in Canada and Europe in the winter period, higher revenues and operating profits are usually expected in the first and fourth quarters of the year compared to the second and third quarters of the year. Higher revenues and operating profits from European midstream operations are generated during the first and fourth quarters of the year.

12 RELATED PARTY TRANSACTIONS

The Group enters into transactions with companies and entities that fall within the definition of a related party. Related parties, as defined in International Accounting Standard 24: Related Party Disclosures, include associate companies, major shareholders, directors and other key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. The following table provides a summary of other significant related party transactions included in the interim consolidated statement of profit or loss during the three month period:

	31 March 2023 AED million	*31 March 2022 AED million*
Emirates Water and Electricity Company:		
TUOS and connection charges for unlicensed activity	**271**	256
Revenue from electricity and water	**1,897**	1,714
Electricity and water bulk supply tariff	**(4,555)**	(3,680)
	(2,387)	(1,710)
Other operating revenue	**4,222**	3,439
Other transactions		
Massar vehicle leasing	**(3)**	(6)
License fees to DOE	**(39)**	(25)
Charges for provision of IT support services	**(16)**	(12)
Energy cost	**(24)**	(18)
Finance costs	**(3)**	(1)
Interest income	**8**	1

Other operating revenue for sales of water and electricity is calculated as the difference between its Maximum Allowed Revenue (MAR) determined in its Regulatory Control Framework (issued by the DoE) and revenue relating to supply and distribution of water and electricity from its customers. Accordingly, the Group recognised this revenue for supply and distribution of water and electricity based on those rights and rewards that are confirmed during the period.

12 RELATED PARTY TRANSACTIONS continued

Balances with related parties

Balances with related parties that are disclosed in the consolidated statement of financial position as follows:

	At 31 March 2023 (Unaudited) AED million	*At 31 December 2022 (Audited) AED million*
Non-current asset		
Advance and loans to associates and joint ventures*	**1,730**	1,146
	====	====
Current assets		
Bank balances with UAE government banks	**3,815**	7,019
	====	====
Amounts due from Emirates Water and Electricity Company (EWEC)	**1,443**	1,385
Amounts due from Abu Dhabi Power Corporation (ADPC)	**404**	343
Amounts due from other related parties	**12**	32
	-------	-------
	1,859	1,760
	====	====
Non-current liabilities		
Loan from Abu Dhabi Power Corporation (ADPC)	**27**	26
Bank loans with government owned bank	**103**	107
	-------	-------
	130	133
	====	=====
Current liabilities		
Amounts due to Emirates Water and Electricity Company (EWEC)	**3,049**	1,976
Amounts due to Abu Dhabi Power Corporation (ADPC)	**103**	129
Amounts due to other related parties	**1,879**	2,024
	-------	--------
	5,031	4,129
	====	====
Available undrawn bank facilities with UAE government banks	**470**	470
	====	====

*On 26 January 2023, TAQA provided a shareholder loan of AED 584 million to Abu Dhabi Future Energy Company PJSC. The loan has no set repayment date and bears no interest. The proceeds of the loan will be used in connection with investments approved in accordance with the Borrower's delegation of authority.

Compensation of key management personnel

The remuneration of senior key management personnel of the Group during the three month period was as follows:

	31 March 2023 AED million	*31 March 2022 AED million*
Short and long term benefits	**24**	20
	====	====

13 COMMITMENTS AND CONTINGENCIES

(i) Capital expenditure commitments

The authorised contracted capital expenditure contracted for at 31 March 2023 but not provided for amounted to AED 4,543 million (31 December 2022: AED 5,040 million).

(ii) Other commitments

As at the reporting date TAQA North has entered into contractual commitments, mainly pipeline usage, under which they are committed to spend AED 613 million as at 31 March 2023 (31 December 2022: AED 837 million).

The Group's associates and joint ventures have capital commitments of AED 1,737 million as at 31 March 2023 (31 December 2022: AED 541 million).

(iii) Contingencies

a) The Group has entered into decommissioning security agreements for a number of UK North Sea Assets acquired by it, pursuant to which it may be required to provide financial security to the former owners of the assets, either by means of (a) placing monies in trust or procuring the issuance of letters of credit in an amount equal to its share of the net decommissioning costs of the subject fields plus an allowance for uncertainty; or (b) procuring a guarantee from a holding company or affiliate which satisfies a minimum credit rating threshold; or (c) providing security in such other form as may be agreed by parties to the deeds.

In respect of certain other UK North Sea Assets TAQA is able to meet the security arrangements for decommissioning obligations by way of provision of a parent company guarantee, so long as TAQA continues in majority-ownership of the Government of Abu Dhabi.

b) TAQA Offshore B.V., alongside other oil and gas companies and the government of the Netherlands in a cross industry initiative has put in place security for offshore oil and gas infrastructure decommissioning. TAQA Offshore B.V. has formally committed to the Government initiative and a legal Netherlands trust arrangement has been set up, and a bank guarantee secured, to effect the provision of security by TAQA Offshore B.V.

c) The Group has various claims lodged by contractors and consultants relating to its ongoing and completed projects, arising from extension of time and work performed but not paid. The Group is in negotiations with these contractors and consultants regarding the resolution of these claims. At this stage management believes it is not possible to determine a reliable estimate of the range of potential claims.

d) The Group has a number of letters of credit and guarantees issued on behalf of the generation companies in relation to debt service reserve accounts.

14 FINANCIAL INSTRUMENTS

14.1 Hedging Activities

	31 March 2023 (Unaudited)			*31 December 2022 (Audited)*		
	Notional amount AED million	***Fair value Current AED million***	***Non-current AED million***	*Notional amount AED million*	*Fair value Current AED million*	*Non-current AED million*
Cash flow hedges						
Liabilities						
Interest rate swaps - hedged	**7,772**	**118**	**469**	12,634	113	472
Forward foreign exchange contracts	**1,198**	**84**	**45**	1,355	111	65
		-------	-------		-------	-------
		202	**514**		224	537
		====	====		====	====
Assets						
Interest rate swaps- hedged	**13,031**	**124**	**251**	8,520	75	405
Forward foreign exchange contracts	**784**	**-**	**35**	448	-	23
		-------	-------		-------	-------
		124	**286**		75	428
		====	====		====	====

14.2 Fair Values

The fair values of the financial instruments of the Group are not materially different from their carrying values at the reporting date except for certain fixed interest borrowings and operating financial assets. Set out below is a comparison of the carrying amounts and fair values of fixed interest borrowings and operating financial assets:

	Carrying amount		*Fair value*	
	31 March 2023 AED million	*31 Dec 2022 AED million*	***31 March 2023 AED million***	*31 Dec 2022 AED million*
Operating financial assets (note i)	**9,079**	9,170	**9,134**	9,232
Interest bearing loans and borrowings (note ii)	**34,561**	38,707	**30,448**	34,463

(i) The fair value of operating financial assets is estimated by discounting the expected future cash flows using appropriate interest rates for assets with similar terms, credit risk and remaining maturities.

(ii) Interest bearing loans and borrowings relates to the Abu Dhabi National Energy Company Global Medium Term notes, Abu Dhabi National Energy Company bond and other subsidiaries' bonds. The fair value of the interest bearing loans and borrowings is based on price quotations at the reporting date.

14.3 Fair Values hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data. For level 3 valuations, the Group relies on discounted cash flow models based on management expectations.

14 FINANCIAL INSTRUMENTS continued

14.3 Fair Values hierarchy continued

	Fair value AED million	*Carrying value AED million*	*Fair value hierarchy*
At 31 March 2023			
Financial assets measured at fair value			
Interest rate swaps- hedged	**375**	**375**	**Level 2**
Future and forward contracts	**35**	**35**	**Level 2**
Listed equity investments	**11,513**	**11,513**	**Level 1**
Financial assets disclosed at fair value			
Operating financial assets	**9,134**	**9,079**	**Level 3**
Financial liabilities measured at fair value			
Interest rate swaps – hedged	**587**	**587**	**Level 2**
Forward foreign exchange contracts	**129**	**129**	**Level 2**
Financial liabilities disclosed at fair value			
Interest bearing loans and borrowings	**30,448**	**34,561**	**Level 1**
At 31 December 2022			
Financial assets measured at fair value			
Interest rate swaps- hedged	480	480	Level 2
Forward foreign exchange contracts	23	23	Level 2
Financial assets disclosed at fair value			
Operating financial assets	9,232	9,170	Level 3
Financial liabilities measured at fair value			
Interest rate swaps – hedged	585	585	Level 2
Forward foreign exchange contracts	176	176	Level 2
Financial liabilities disclosed at fair value			
Interest bearing loans and borrowings	34,463	38,707	Level 1

During the period ended 31 March 2023 there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The fair values of other financial instruments of the Group are not materially different from their carrying values at the reporting date.

Interest bearing loans and borrowings detailed above relates to the Group's medium term notes and bonds portfolio. The company's project related debt is excluded from this number as the fair value is not materially different from the carrying value at the reporting date.

Listed equity investments designated at fair value through OCI include shares held in ADNOC Gas plc. The Company holds a non-controlling interest (5%) and the investment is considered strategic in nature.

The fair values of the financial assets and financial liabilities measured at fair value included in the Level 1 category above, have been determined by market rates at the year end date.

The fair values of the financial assets and financial liabilities measured at fair value included in the Level 2 category above, have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis. The models incorporate various inputs including foreign exchange spot and forward rates, interest rate curves and forward rate curves of the underlying commodities.

For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

15 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

These interim condensed consolidated financial statements include the following major operating subsidiaries, joint ventures and associates and their effective ownership as at 31 March 2023 are listed below:

Subsidiaries	*Effective ownership %*	*Country of incorporation*	*Principal activities*
FOREIGN SUBSIDIARIES			
TAQA Bratani Limited	100%	UK	Oil & gas production
TAQA North Limited	100%	Canada	Oil & gas production
TAQA Atrush B.V.	100%	Netherlands	Oil & gas production
TAQA Energy B.V	100%	Netherlands	Gas storage, oil & gas production
TAQA Morocco	86%	Morocco	Power generation
Jorf Lasfar Energy Company 5&6 S.A	91%	Morocco	Power generation
Takoradi International Company	90%	Cayman Islands	Power generation
TAQA Neyveli Power Company Private Limited	100%	India	Power generation
DOMESTIC SUBSIDARIES			
Abu Dhabi Transmission and Despatch Company PJSC (TransCo)	100%	UAE	Transmission of water and electricity in the region of Abu Dhabi and the surrounding areas.
Abu Dhabi Distribution Company PJSC (ADDC)	100%	UAE	Distribution of water and electricity in the region of Abu Dhabi, Al Ain, and the surrounding areas.
Al Ain Distribution Company PJSC (AADC)	100%	UAE	
Al Mirfa Power Company PJSC (AMPC)	100%	UAE	Generation of electricity and the production of desalinated water
Sweihan PV Power Company PJSC	60%	UAE	
Shuweihat Asia Power Company PJSC (SAPCO)	60%	UAE	
Mirfa International Power and Water Company PJSC (MIPCO)	60%	UAE	
Gulf Total Tractebel Power Company PJSC (GTTPC)	60%	UAE	
Arabian Power Company PJSC (APC)	60%	UAE	
Shuweihat CMS International Power Company PJSC (SCIPCO)	60%	UAE	
Taweelah Asia Power Company PJSC (TAPCO)	70%	UAE	
Emirates CMS Power Company PJSC (ECPC)	60%	UAE	
Emirates Semb Corp Water and Power Company PJSC (ESWPC)	60%	UAE	
Fujairah Asia Power Company PJSC (FAPCO)	60%	UAE	
Ruwais Power Company PJSC (RPC)	60%	UAE	
Taweelah Shared Facilities Company LLC	58%	UAE	Operating & maintenance
Shuweihat Shared Facilities Company LLC	50%	UAE	Operating & maintenance
ASSOCIATES			
Massar Solutions PJSC	49%	UAE	Lease management
Abu Dhabi Offshore Power Infra Limited LLC	30%	UAE	Transmission of electricity
Jubail Energy Company LLC	25%	KSA	Generation of electricity
Sohar Aluminium Company LLC	40%	Oman	Aluminium smelter
JOINT VENTURES			
LWP Lessee LLC	50%	USA	Wind power
Taweelah RO Holding Company LLC	33%	UAE	Production of desalinated water
Fujairah Energy Holding Company LLC	67%	UAE	Generation of electricity
Dhafrah Solar Energy Holding Company LLC	67%	UAE	Solar power
Tanajib Cogeneration Holding Company Limited	49%	UAE	Generation of electricity
Abu Dhabi Future Energy Company PJSC (Masdar)	43%	UAE	Renewable energy

During the period ended 31 March 2023, the Company acquired an additional 10% ownership stake in Taweelah Asia Power Company PJSC, there were no other changes in the major operating subsidiaries, joint ventures, and associates.

During the year ended 31 December 2022, the Company acquired a stake in Abu Dhabi Future Energy Company PJSC (note 18). There were no other changes in major operating subsidiaries, joint ventures, and associates.

16 DIVIDENDS

2023

At the General Assembly meeting in March 2023, the shareholder's approved a dividend of AED 1,350 million, being AED 0.01 per share for the year ended 31 December 2022. A special dividend was also approved by the shareholders of AED 2,363 million, being AED 0.02 per share. Both dividends were paid in the three month period ended 31 March 2023.

2022

At the General Assembly meeting in March 2022, the shareholder's approved a dividend of AED 1,237 million, being AED 0.01 per share for the year ended 31 December 2021. A special dividend was also approved by the shareholders of AED 2,249 million, being AED 0.02 per share. Both dividends were paid in the three month period ended 31 March 2022.

17 INVESTMENTS CARRIED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

On 15 February 2023, the Company received a 5% holding of the total issued share capital of ADNOC Gas plc for no consideration. ADNOC Gas plc is majority owned by the ADNOC group which in turn is wholly owned by the Abu Dhabi government. The fair value of the investment on initial recognition of AED 10,784 million was assessed based on the closing share price on the first day of trading on the Abu Dhabi Stock Exchange (ADX) of AED 2.81 per share and a corresponding gain was recognised in the interim consolidated statement of profit or loss. Based on the facts and circumstances of the transaction, Management has concluded and is satisfied that the transfer of the shares is appropriately recognised in the interim condensed consolidated statement of profit or loss.

At initial recognition, the Company made an irrevocable election to recognise the investment at fair value through other comprehensive income (FVOCI) and therefore subsequent gains or losses will be recognised within the interim statement of comprehensive income. FVOCI has been elected by the Group as this is a strategic investment and the shares are not held for trading. The impact on the interim consolidated financials is as follows:

	At 31 March 2023 (Unaudited) AED million	*At 31 December 2022 (Audited) AED million*
Investments carried at fair value through other comprehensive income	**11,513**	-
	====	====

The investments are recorded at fair value using the fair value techniques disclosed in note 14. Movement in investments in financial assets carried at fair value through other comprehensive income is as follows:

	2023 (Unaudited) AED million	*2022 (Audited) AED million*
At 1 January	-	-
Additions during the period	**10,784**	-
Change in fair value	**729**	-
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At 31 March	**11,513**	-
	====	====

18 INVESTMENT IN AND LOANS TO ASSOCIATES AND JOINT VENTURES

On 21 June 2022, TAQA, Abu Dhabi National Oil Company (ADNOC) and Mubadala Investment Company (Mubadala) entered into binding agreements for TAQA and ADNOC to purchase stakes in Abu Dhabi Future Energy Company (Masdar) from Mubadala. The partnership creates a global clean energy powerhouse that consolidates the renewable energy efforts of TAQA, Mubadala and ADNOC under the Masdar brand. TAQA acquired a 43% stake in Masdar's renewables business with Mubadala and ADNOC owning a 33% and 24% interest respectively. The transaction closed on 1 December 2022 and has been accounted for as a joint venture as all shareholders have joint control over the decision making of the company. The fair value of TAQA's share of identifiable assets and liabilities of Masdar at the acquisition date based on the provisional purchase price allocation was the following:

	PROVISIONAL 1 December 2022 AED million
Assets	
Current assets	1,806
Non-current assets	3,749
Liabilities	
Current liabilities	519
Non-current liabilities	1,289

Net assets	3,747
Cost of investment	3,747
	=====

19 ASSETS HELD FOR SALE

On 1 July 2022, the Board of Directors agreed to proceed with the sale of the upstream assets within TAQA Energy B.V.'s portfolio. Subsequent to the Board of Directors decision, TAQA has entered into definitive agreements with Waldorf Energy Netherlands BV to sell 100% of its ownership in the upstream oil and gas business in the Netherlands. The sale was expected to be completed in early 2023, and was subject to obtaining approvals from applicable regulatory and other third parties. As at 31 December 2022 the upstream assets in the Netherlands contained with the Oil & Gas operating segment were classified as a disposal group held for sale and as a discontinued operation.

Subsequently, it was confirmed that the completion did not occur in accordance with its terms and the agreement was terminated on 28 March 2023. TAQA remains committed to its business in the Netherlands and will continue to contribute actively to the security of gas through its upstream and gas storage activities. Consequently, TAQA Energy B.V.'s upstream oil and gas business is no longer treated as held-for-sale under IFRS 5, and its assets and liabilities have been appropriately reclassified.

Comparative amounts for the discontinued operations in the interim condensed consolidated statement of profit or loss for prior year are represented to reflect the classification in the interim condensed consolidated statement of profit or loss for the current year presented.

19 ASSETS HELD FOR SALE continued

	31 December 2022 AED million
Assets	
Property, plant and equipment	69
Deferred tax asset	37
Inventories	24
Accounts receivable and prepayments	104
Assets classified as held for sale	234
Liabilities	
Asset retirement obligations	675
Income tax payable	85
Accounts payable, accruals and other liabilities	58
Liabilities directly associated with assets classified as held for sale	818
Net liabilities directly associated with the disposal group	584

Included in equity and the consolidated statement of financial position as at 31 December 2022 is an accumulated foreign currency translation reserve loss of AED 12 million directly associated with the assets held for sale.

20 EVENTS AFTER THE REPORTING DATE

On 12 May 2023, the Board of Directors proposed an interim dividend of AED 731 million, being AED 0.007 per share for the quarter ended 31 March 2023. The interim dividend is in accordance with the dividend policy approved by the shareholders on 15 March 2023.

On 18 April 2023, the Group announced successful placement of an aggregate AED 5,509 million (US $1,500 million) in 5 year and 10 year dual tranch senior unsecured notes. The 10 year notes at AED 3,673 million (US $1,000 million) were issued with a coupon rate of 4.696% per annum and are a green bond issuance. The 5 year notes at AED 1,836 million (US $500 million) were issued as conventional bonds at a coupon rate of 4.375% per annum.