FOR IMMEDIATE RELEASE:

TAQA Set to Expand Portfolio with Acquisition of SWS Holding

TAQA enters into definitive agreement to acquire SWS Holding for AED 1.7bn

Acquisition to increase TAQA's regulated asset base by more than 20%

Expansion into wastewater networks and treatment business enhances TAQA's position as Abu Dhabi's fully integrated utility and strengthens its ability to support the UAE's net zero ambitions

Abu Dhabi, UAE – 21 June 2023: Abu Dhabi National Energy Company PJSC (TAQA), an international energy and water company operating in 11 countries across four continents, announced today that it has entered into a definitive agreement to acquire Sustainable Water Solutions Holding Company (SWS Holding).

The establishment of SWS Holding was announced in May 2023 with an aim to deliver sustainable water solutions through a focus on resource recovery and water circularity that will benefit industries and communities. The newly created SWS Holding took ownership of Abu Dhabi Sustainable Water Solutions Company (ADSWS), formerly known as Abu Dhabi Sewerage Services Company (ADSSC), the main entity behind all wastewater collection, treatment, and reuse in the Emirate of Abu Dhabi.

The addition of SWS Holding's specialized solutions to TAQA's comprehensive portfolio will create a vertically integrated player with strong capabilities in delivering high-quality water treatment solutions as well as a shared commitment to operational efficiency and customer service excellence.

SWS Holding is highly complementary to TAQA's existing portfolio and will add approximately AED 16 billion to TAQA's existing regulated asset value of approximately AED 75 billion. This will enhance TAQA's highly predictable and secure cashflow profile as well as its long-term earnings. The transaction is expected to generate significant synergies which will create value for TAQA and its shareholders. ADSWS will operate under and benefit from the same regulatory controls set by the Abu Dhabi Department of Energy (DoE) that govern TAQA's existing UAE transmission and distribution businesses.

ADSWS has a network of sewer pipelines extending to over 12,000 km, a sewage treatment capacity of approximately 1.3 million cubic meters per day from its 37 wholly owned treatment plants, and through the 60% ownership in two companies owning four sewage treatment plants in Abu Dhabi under the 'Build, Own, Operate and Transfer' (BOOT) model.

Under the terms of the agreement, TAQA will acquire all outstanding shares of SWS Holding for AED 1.7bn, with 50% of the consideration to be paid upon completion and the remaining 50% to be paid one year after completion. TAQA will make an additional payment in 2024 linked to net profits generated during 2023. This strategic transaction, at such attractive terms, represents an extremely positive outcome for TAQA and its shareholders, given the impact it will create on TAQA's financial performance whilst allowing efficient use of shareholders capital to fund future growth.

Jasim Husain Thabet, TAQA's Group Chief Executive Officer and Managing Director, commented: "The strategic acquisition of SWS Holding is an important step in TAQA's accelerated delivery of its growth agenda, backed by our shareholders. Two years ago, we set out our growth ambitions in a 2030 strategy, and since then we have been delivering against our promises. This transaction is a logical extension of our regulated asset base into wastewater networks and treatment, which in Abu Dhabi is subject to the same structure of regulation and the same principles as our existing power and water transmission and distribution business. The new business will provide a substantial boost to our regulated asset base and associated stable long-term earnings."

"The efficient management of water will play a key role in enabling the UAE to reduce greenhouse gas emissions. By bringing the management of recycled water together with TAQA's water desalination activity and our recycled water network, we can do even more to support the net zero target by 2050."

Eng. Ahmed Al Shamsi, SWS Holding's Chief Executive Officer and Managing Director, said: "The prospect of becoming part of TAQA as a national champion with great sustainability aspirations is compelling and will allow us to leverage our combined strengths, fostering increased collaboration and delivering improved services in sustainable water management. SWS Holding has embarked on its journey with a firm commitment to providing sustainable water solutions that will not only benefit our customers and local communities, but also help protect our planet and its ecosystems. We look forward to continuing on this path together with TAQA."

The transaction is expected to complete this year, subject to a successful and timely completion of necessary transaction requirements, including obtaining regulatory and relevant third-party approvals. TAQA is owned 90.03% by Abu Dhabi Power Corporation (ADPower) and 7.30% by Multiply Group.

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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. TAQA is a shareholder in Abu Dhabi Future Energy Company (Masdar).

For more information, please visit: www.taqa.com and follow us @TAQAGroup on LinkedIn, Twitter, Instagram and YouTube.

About SWS Holding

Headquartered in Abu Dhabi, SWS Holding is a leading company specializing in sustainable water solutions to transform one of our most valuable natural resources, contribute to sustainable economic development and improve the quality of life.

The local portfolio of SWS Holding includes Abu Dhabi Sustainable Water Solutions (ADSWS), which is the sole entity behind all wastewater collection, treatment, and reuse in the Emirate. With over 1,341,000 m^3 collected daily through an extensive 12,000 km network supported by over 200 pumping stations and 42 treatment plants, the company works towards reducing the pressure on natural water resources and promote sustainability and value creation.

For more information, please visit www.sws.ae or contact:

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