FOR IMMEDIATE RELEASE:

TAQA Group Reports AED 13.5 billion Net Income for H1 2023

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

Significant developments in Q2 2023 included TAQA's first Green bond issuance and agreement to acquire SWS Holding for AED 1.7bn that will increase regulated assets by over 20%

Abu Dhabi, UAE – 14 August 2023: Abu Dhabi National Energy Company PJSC ("TAQA", the "Group" or the "Company"), one of the largest listed integrated utilities in Europe, Middle East and Africa, reported its first half earnings for the period ending 30 June 2023. TAQA's performance was driven by strong and stable returns from its long-term contracted utilities business whilst it has remained focused on delivering its growth strategy.

Financial highlights:

- Group revenues of AED 26.8 billion, 5% 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 10.5 billion, down 7%. This fall was led by a decline in contribution from the Oil & Gas segment on the back of lower realised oil and gas prices and reduced production.
- Net income (TAQA share) was AED 13.5 billion, an increase of AED 9.2 billion, mainly driven by a one-off gain of AED 10.8 billion 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 3.9 billion, 9% lower than the prior period, mainly due to lower contribution from the Oil & Gas segment.
- Capital expenditure was AED 2.1 billion, 17% higher than the prior year as project execution picked up pace in the Transmission & Distribution segment.
- Free cash flow generation was AED 6.4 billion, 23% lower compared to the previous year. The decline was mainly driven by a lower contribution from the Oil & Gas segment.

- Gross debt was AED 61.7 billion, unchanged on the amount outstanding at the end of 2022.

Operational highlights:

- Generation global commercial availability was 98.7%, compared to 97.5% in the prior year, with the UAE fleet performance in particular contributing to the increase.
- Transmission network availability for power and water was 98.2%, compared to 98.4%, marginally lower versus the prior-year period.
- Oil & Gas average production volumes decreased to 117.0 thousand barrels of oil equivalent per day (boepd), a decrease of 6% compared to 2022. This decrease is mainly due to the shutdown of operations in Iraq and the natural decline in production of late-life UK assets.

Strategic highlights:

One of the most significant highlights for TAQA's growth story is that it has announced entering into definitive agreements to acquire Sustainable Water Solutions Holding Company (SWS Holding). SWS Holding will add approximately AED 16 billion to TAQA's existing asset value and is highly complementary to TAQA's existing portfolio, creating a vertically integrated player adding strong capabilities in high-quality water treatment solutions to the Company's expertise. It also operates under the same regulatory controls set by the Abu Dhabi Department of Energy (DoE), which governs TAQA's transmission and distribution assets in the UAE.

The Generation business line had a productive first half of 2023, underscored by its steady growth and expansion in the UAE and abroad. In the second quarter, the Company announced the financial closing for the Mirfa 2 Reverse Osmosis Desalination Plant (M2 RO). TAQA is taking a leading stake in the project company holding a 60% share, and, delivering on its ambitions to expand its operations and maintenance (O&M) capabilities, TAQA will also take a 40% stake in the O&M company for the project. The plant will have a capacity of 120 million imperial gallons per day (MIGD) of potable water and will use highly efficient RO technology, a critical part of TAQA's ESG strategy to reduce its emissions by 2030 and its growth strategy to significantly increase the share of RO in its portfolio.

Delivering on its promises to add up to 15 GW of power capacity internationally, TAQA announced a strategic partnership with the Government of Uzbekistan to explore opportunities for investment in the country's power sector. These opportunities will include new and existing plants as well as associated infrastructure. As part of the implementation agreement, TAQA is looking to develop a greenfield 1.5 GW gas-fired power plant, an additional 3 GW of capacity in other gas-fired power plants and transmission and distribution infrastructure. The 1.5 GW greenfield project would be

located close to the Talimarjan power complex where TAQA has already announced an investment into privatising two gas-fired power plants.

In the Transmission and Distribution (T&D) business line, TAQA and ADNOC announced a AED 8.8 billion strategic project which will provide sustainable water for ADNOC's onshore operations. TAQA and ADNOC will each hold a 25.5% stake in the project, which will be a centralised seawater treatment facility and transportation network for ADNOC's onshore operations and will deliver 110 MIGD of nano-filtered seawater.

Earlier in July, the DOE issued its final decision on the new regulatory control mechanisms following a review of the regulatory controls applicable to the sector. The announcement on the second period regulatory control (RC2) set the revenues of approximately AED 50 billion for Transmission & Distribution's UAE operating businesses: Abu Dhabi Transmission and Despatch Company (TRANSCO), Abu Dhabi Distribution Company (ADDC), and Al Ain Distribution Company (AADC), for the period from 2023 to 2026, excluding pass-through costs.

Internationally, TAQA made its first Transmission & Distribution investment outside of the UAE with an investment of AED 113 million into Xlinks First Limited. Xlinks will use the funding for the development of plans to lay the world's longest high-voltage direct current (HVDC) subsea cables between the UK and Morocco to transport renewable power to the UK. This investment builds on TAQA's HVDC experience with one project already under construction with ADNOC in Abu Dhabi, whereby ADNOC's offshore platforms will be connected to Abu Dhabi's onshore grid. TAQA is committed to supporting the energy transition with investments in transmission infrastructure critical to accelerating the transition.

In April, TAQA completed a dual tranche USD 0.5 billion 5-year and USD 1.0 billion 10-year bond offering which included its first ever company-issued green bond. The unsecured notes were oversubscribed by more than 10 times with demand coming from international investors.

His Excellency Mohamed Hassan Alsuwaidi, Chairman of TAQA, commented**:** "Through its strategic growth during the first half of 2023, TAQA continues to deliver value for its stakeholders. The Company delivered a strong and consistent financial performance, maintained its investment grade credit rating and ensured good returns for its shareholders through its dividend policy. Demonstrating its commitment to continued growth, the Company announced the expansion of its portfolio through its plan to acquire SWS Holding. This transaction will broaden the scope of TAQA's activity in the regulated utility business by becoming a fully integrated water and wastewater treatment provider. TAQA has also grown both domestically and internationally in 2023, as well as in the renewable energy sector where it has

exceeded its 2030 target of having 30% of its generation portfolio coming from renewable sources through the growth of Masdar. As such, TAQA continues to showcase the evolution and growth of the utilities sector, underpinned by its strong ESG commitments."

Jasim Husain Thabet, TAQA's Group Chief Executive Officer and Managing Director, commented: "TAQA's steady performance in the first six months of 2023 demonstrates the Company's firm commitment to delivering on its promises and growth agenda which is underpinned by the strength of our balance sheet. As a low carbon power and water champion, we have delivered on our growth ambitions in the first half of 2023 both inside the UAE and abroad. Locally, we have reached financial close on the Mirfa 2 RO plant which will be another utility-scale seawater desalination plant using the low-carbon and highly efficient reverse osmosis technology. We announced a nano-filtered sustainable water project alongside ADNOC to support their onshore operations and importantly, we announced that we have signed agreements to acquire SWS Holding. Together, these milestones firmly cement TAQA's position as a regional integrated utilities champion and particularly showcase our water expertise.

"Internationally, we strengthened our position in Uzbekistan where we announced a strategic partnership with the Government of Uzbekistan for greenfield and existing gas-fired power generation projects as well as transmission and distribution investment opportunities. We also announced an investment into Xlinks to develop the early-stage Morocco-UK power project, which is intended to play a critical role in decarbonisation and energy security in the United Kingdom. Importantly, as TAQA continues to expand its footprint locally and internationally, we are delivering value for our shareholders whilst ensuring safe, sustainable, and secure power and water for the communities we serve around the world."

Upon approval of the financial results, TAQA's Board of Directors also declared a second 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.

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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.