

Abu Dhabi National Energy Company PJSC ("TAQA")

REVIEW REPORT AND INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS
FOR THE SIX MONTH PERIOD ENDED
30 JUNE 2025 (UNAUDITED)

Abu Dhabi National Energy Company PJSC ("TAQA")

REVIEW REPORT AND INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025 (UNAUDITED)

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Review report on interim condensed consolidated financial statements to the Board of Directors of Abu Dhabi National Energy PJSC (“TAQA”)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Abu Dhabi National Energy Company PJSC (the ‘Company’ or ‘TAQA’) and its subsidiaries (the ‘Group’) as at 30 June 2025 and the related interim condensed consolidated statements of profit or loss, comprehensive income for the three-month and six-month periods then ended, and interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of this interim condensed consolidated financial statements in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on this interim condensed consolidated financial statements 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 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers Limited Partnership – Abu Dhabi

13 August 2025

Nizar Jichi
Registered Auditor Number 5596
Abu Dhabi, United Arab Emirates

Abu Dhabi National Energy Company PJSC (“TAQA”)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Six month period ended 30 June 2025 (Unaudited)

		<i>Three month period ended 30 June</i>		<i>Six month period ended 30 June</i>	
		<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>Notes</i>	<i>AED million</i>	<i>AED million</i>	<i>AED million</i>	<i>AED million</i>
CONTINUED OPERATIONS					
REVENUES					
Revenue from generation of power and water	3.1	3,189	3,123	6,127	6,060
Revenue from transmission and distribution of power and water	3.2	9,585	8,381	18,724	16,555
Revenue from oil and gas	3.3	825	1,404	2,314	3,351
Revenue from water solutions	3.4	627	593	1,263	1,213
		14,226	13,501	28,428	27,179
COST OF SALES					
Operating expenses		(8,740)	(7,630)	(17,536)	(15,403)
Depreciation, depletion and amortisation		(2,353)	(2,364)	(4,642)	(4,720)
		(11,093)	(9,994)	(22,178)	(20,123)
GROSS PROFIT		3,133	3,507	6,250	7,056
General and administrative expenses		(539)	(547)	(1,040)	(1,108)
Finance costs		(787)	(739)	(1,521)	(1,496)
Net foreign exchange gain		14	25	10	67
Share of results of associates and joint ventures		(87)	59	(89)	194
Interest income		102	123	205	298
Dividend income from an investment carried at fair value through OCI		-	298	313	298
Other income		95	119	141	209
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		1,931	2,845	4,269	5,518
Income tax expense	4	(152)	(332)	(338)	(801)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		1,779	2,513	3,931	4,717
DISCONTINUED OPERATIONS					
Profit after tax for the period from discontinued operations	18	-	29	-	48
PROFIT FOR THE PERIOD		1,779	2,542	3,931	4,765
Attributable to:					
Equity holders of the parent		1,627	2,418	3,710	4,622
Non-controlling interests		152	124	221	143
PROFIT FOR THE PERIOD		1,779	2,542	3,931	4,765

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

Abu Dhabi National Energy Company PJSC (“TAQA”)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Six month period ended 30 June 2025 (Unaudited) continued

		<i>Three month period ended</i>		<i>Six month period ended</i>	
		<i>30 June</i>		<i>30 June</i>	
		<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>Notes</i>	<i>AED million</i>	<i>AED million</i>	<i>AED million</i>	<i>AED million</i>
Basic and diluted earnings per share attributable to equity holders of the parent (AED) from continuing operations	5	0.01	0.02	0.03	0.04
		=====	=====	=====	=====
Basic and diluted earnings per share attributable to equity holders of the parent (AED) from continuing operations and discontinued operations	5	0.01	0.02	0.03	0.04
		=====	=====	=====	=====

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

Abu Dhabi National Energy Company PJSC (“TAQA”)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six month period ended 30 June 2025 (Unaudited)

		<i>Three month period ended</i> <i>30 June</i>		<i>Six month period ended</i> <i>30 June</i>	
		<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
<i>Notes</i>	<i>AED million</i>	<i>AED million</i>	<i>AED million</i>	<i>AED million</i>	<i>AED million</i>
PROFIT FOR THE PERIOD		1,779	2,542	3,931	4,765
OTHER COMPREHENSIVE INCOME (LOSS)					
<i>Items that may be reclassified to</i> <i>income statement in subsequent periods:</i>					
Changes in fair values of derivative instruments in cash flow hedges net		111	55	(24)	360
Share of other comprehensive income of joint ventures and associates		(119)	46	(18)	(100)
Exchange differences arising on translation of overseas operations		331	(40)	767	(84)
		323	61	725	176
<i>Items not to be reclassified to</i> <i>income statement in subsequent periods:</i>					
Changes in fair value of investments carried at fair value through OCI	17	844	(998)	(345)	(768)
		844	(998)	(345)	(768)
NET OTHER COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		1,167	(937)	380	(592)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		2,946	1,605	4,311	4,173
Attributable to:					
Equity holders of the parent		2,816	1,459	4,191	3,883
Non-controlling interests		130	146	120	290
		2,946	1,605	4,311	4,173

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

Abu Dhabi National Energy Company PJSC (“TAQA”)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025 (Unaudited)

		<i>(Audited)</i>
	<i>30 June</i>	<i>31 December</i>
	<i>2025</i>	<i>2024</i>
<i>Notes</i>	<i>AED million</i>	<i>AED million</i>
ASSETS		
Non-current assets		
Property, plant and equipment	7	137,496
Operating financial assets		6,763
Intangible assets		14,198
Investments carried at fair value through other comprehensive income	17	13,124
Investment in and loans to associates and joint ventures		16,965
Deferred tax assets		5,148
Derivative financial instruments	14	574
Other assets		622

		194,890

Current assets		
Inventories		2,750
Amounts due from related parties	12	2,452
Operating financial assets		1,121
Accounts receivable and prepayments		7,376
Derivative financial instruments	14	129
Income tax prepaid		767
Cash and short term deposits	8	7,714

		22,309

TOTAL ASSETS		217,199
		=====
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital		112,434
Merger reserve	9	(55,437)
Statutory reserve	9	4,523
Retained earnings		31,408
Foreign currency translation reserve		514
Cumulative changes in fair value of derivatives in cash flow hedges		3,964
Cumulative changes in fair value of investments	17	2,340

		99,746

Non-controlling interests		5,694
Loans from non-controlling interest shareholders in subsidiaries		85

Total non-controlling interest, including loans		5,779

TOTAL EQUITY		105,525
		=====

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

Abu Dhabi National Energy Company PJSC (“TAQA”)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION continued

As at 30 June 2025 (Unaudited)

		<i>(Audited)</i>
	<i>30 June</i>	<i>31 December</i>
	<i>2025</i>	<i>2024</i>
	<i>AED million</i>	<i>AED million</i>
<i>Notes</i>		
LIABILITIES		
Non-current liabilities		
Interest bearing loans and borrowings	10	55,238
Deferred tax liabilities		2,224
Asset retirement obligations		11,996
Derivative financial instruments	14	420
Other liabilities		3,364
		<u>73,242</u>
		<u>72,967</u>
Current liabilities		
Accounts payable, accruals and other liabilities		23,077
Interest bearing loans and borrowings	10	6,420
Amounts due to related parties	12	6,057
Asset retirement obligations		1,774
Bank overdrafts	8	4
Income tax payable		988
Derivative financial instruments	14	112
		<u>38,432</u>
		<u>39,022</u>
TOTAL LIABILITIES		<u>111,674</u>
		<u>111,989</u>
TOTAL EQUITY AND LIABILITIES		<u>217,199</u>
		<u>216,813</u>

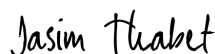
To the best of our knowledge, the financial information included in these interim condensed consolidated financial statements fairly presents in all material respects the financial condition, results of operation and cash flows of TAQA as of, and for, the periods presented therein. The interim condensed consolidated financial statements were approved by the Board of Directors on 13 August 2025 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.

Abu Dhabi National Energy Company PJSC (“TAQA”)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six month period ended 30 June 2025 (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 2024 (audited)	112,434	(56,443)	3,445	18,168	(51)	3,996	1,074	82,623	6,361	111	89,095
Profit for the period	-	-	-	4,622	-	-	-	4,622	143	-	4,765
Other comprehensive income for the period	-	-	-	-	(84)	113	(768)	(739)	147	-	(592)
Total comprehensive income for the period	-	-	-	4,622	(84)	113	(768)	3,883	290	-	4,173
Dividends (note 16)	-	-	-	(3,036)	-	-	-	(3,036)	(383)	-	(3,419)
Transfer to reserves	-	-	462	(462)	-	-	-	-	-	-	-
Share capital reduction	-	-	-	-	-	-	-	-	(184)	-	(184)
Repayment of loans	-	-	-	-	-	-	-	-	-	(4)	(4)
Transfer of entities under common control (note 19)	-	-	-	12,320	-	-	-	12,320	227	-	12,547
Balance at 30 June 2024 (unaudited)	<u>112,434</u>	<u>(56,443)</u>	<u>3,907</u>	<u>31,612</u>	<u>(135)</u>	<u>4,109</u>	<u>306</u>	<u>95,790</u>	<u>6,311</u>	<u>107</u>	<u>102,208</u>
Balance at 1 January 2025 (audited)	112,434	(55,437)	4,152	31,275	(253)	3,905	2,685	98,761	5,968	95	104,824
Profit for the period	-	-	-	3,710	-	-	-	3,710	221	-	3,931
Other comprehensive income for the period	-	-	-	-	767	59	(345)	481	(101)	-	380
Total comprehensive income for the period	-	-	-	3,710	767	59	(345)	4,191	120	-	4,311
Dividends (note 16)	-	-	-	(3,206)	-	-	-	(3,206)	(394)	-	(3,600)
Transfer to reserves	-	-	371	(371)	-	-	-	-	-	-	-
Repayment of loans	-	-	-	-	-	-	-	-	-	(10)	(10)
Balance at 30 June 2025 (unaudited)	<u>112,434</u>	<u>(55,437)</u>	<u>4,523</u>	<u>31,408</u>	<u>514</u>	<u>3,964</u>	<u>2,340</u>	<u>99,746</u>	<u>5,694</u>	<u>85</u>	<u>105,525</u>

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

Abu Dhabi National Energy Company PJSC (“TAQA”)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Six month period ended 30 June 2025 (Unaudited)

	<i>Notes</i>	30 June 2025 AED million	30 June 2024 AED million
OPERATING ACTIVITIES			
Profit before tax from continuing operations		4,269	5,518
Profit before tax from discontinued operations		-	48
		4,269	5,566
Adjustments for:			
Depreciation, depletion and amortisation		4,642	4,754
Finance costs		1,521	1,496
Share of results of associates and joint ventures		89	(194)
Interest income		(205)	(298)
Dividend income from an investment		(313)	(298)
Other movements		369	167
Revenue from operating financial assets		(698)	(667)
		9,674	10,526
Working capital changes:			
Inventories		(34)	(4)
Accounts receivables and prepayments		(559)	881
Amounts due from related parties		1,093	(1,256)
Amounts due to related parties		2,677	(790)
Accounts payable, accruals and other liabilities		(747)	(1,217)
Income tax paid		(138)	(636)
Asset retirement obligation payments		(1,000)	(699)
Cash received from operating financial assets		710	952
		2,002	(2,769)
Net cash generated from operating activities		11,676	7,757
INVESTING ACTIVITIES			
Transfer of entities under common control - cash and cash equivalents in acquired entities	19	-	463
Cash and cash equivalents in acquired entities	20	102	-
Consideration paid for an acquired entity	20	(396)	-
Purchases of property, plant and equipment	7	(4,343)	(3,485)
Advances to associates and joint ventures	12	(443)	(967)
Interest received		148	298
Dividend income from an investment		313	298
Other movements		(50)	(40)
Net cash used in investing activities		(4,669)	(3,433)

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

Abu Dhabi National Energy Company PJSC (“TAQA”)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS continued Six month period ended 30 June 2025 (Unaudited)

		<i>30 June 2025 AED million</i>	<i>30 June 2024 AED million</i>
	<i>Notes</i>		
FINANCING ACTIVITIES			
Repayments of interest bearing loans and borrowings	10	(4,225)	(4,895)
Receipts of interest bearing loans and borrowings	10	1,537	570
Payments of lease liabilities	10	(150)	(113)
Interest paid		(1,519)	(1,485)
Dividend paid to non-controlling interest shareholders		(322)	(417)
Dividend paid to shareholders		(3,206)	(3,036)
Repayment of loans to non-controlling interest shareholders		(10)	(4)
		=====	=====
Net cash used in financing activities		(7,895)	(9,380)
		=====	=====
NET DECREASE IN CASH AND CASH EQUIVALENTS		(888)	(5,056)
Net foreign exchange difference		9	(83)
Restricted cash movement		(9)	3
Cash and cash equivalents at 1 January		8,382	13,878
		=====	=====
CASH AND CASH EQUIVALENTS AT 30 JUNE	8	7,494	8,742
		=====	=====

Significant non-cash transactions:

In the period ended 30 June 2024, TAQA Distribution (formally Abu Dhabi Distribution Company PJSC) were transferred assets to manage with a value of AED 220 million. This amount has not been reflected in the ‘Purchases of property, plant and equipment’ in the interim condensed consolidated statement of cash flows, however the amount has been recorded within ‘Property, plant and equipment’ on the interim condensed consolidated statement of financial position.

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

Abu Dhabi National Energy Company PJSC (“TAQA”)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2025 (Unaudited)

1 CORPORATE INFORMATION

Abu Dhabi National Energy Company PJSC (“TAQA”, “Group” 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 power and water generation, transmission and distribution, and sustainable water solutions assets in the UAE. TAQA 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 six months period ended 30 June 2025 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 2024. In addition, results for the six months ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

As at 30 June 2025, retained earnings of the Group are AED 31,408 million (31 December 2024: AED 31,275 million). As at 30 June 2025, the current liabilities of the Group exceed its current assets by AED 16,123 million (31 December 2024: by AED 15,365 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 six month period ended 30 June 2025.

On 11 February 2025, the Ministry of Finance (MoF) of the United Arab Emirates (UAE) released Cabinet Decision No. 142 of 2024 on the Imposition of Top-Up Tax on Multinational Enterprises (Cabinet Decision), introducing a Domestic Minimum Top-Up Tax (DMTT) on multinational enterprises (MNEs). Effective from fiscal years starting on or after 1 January 2025, the DMTT Imposes a top-up tax on low-taxed UAE entities, ensuring a minimum effective tax rate (ETR) of 15% in the UAE.

The Group is headquartered in the UAE and is within the scope of the OECD BEPS Pillar Two Global Anti-Base Erosion Model Rules (GloBE Rules). The Group has operations in countries where Pillar II legislation was in effect during 2025 (e.g., UAE, Netherlands, Canada, and United Kingdom). The Group has performed a preliminary assessment of its potential exposure to Pillar II income taxes in these countries and has considered the relief provided in the OECD guidance such as the Transitional Country by Country Reporting Safe Harbour (TCSH). The Group expects to meet the TCSH relief in majority of the relevant jurisdictions, in particular UAE, Netherlands, Canada, and United Kingdom and therefore, it does not have any significant exposure to Pillar II income taxes in 2025. The Group continues to monitor the legislative activity and potential impact of Pillar II on its future financial performance.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2025 (Unaudited)

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES continued

2.2 MATERIAL 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 2024, except for the adoption of the following new standards and interpretations effective as of 1 January 2025 which have not caused any material impact on the Group’s interim condensed consolidated financial statements.

- Lack of Exchangeability (Amendments to IAS 21) (effective from 1 January 2025).
- Amendments to the SASB standards to enhance their international applicability (effective from 1 January 2025).

The Group has not early adopted the following standards, interpretations or amendments that have been issued but not yet effective. Management are in the process of assessing the impact of these standards, interpretations and amendments, however 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).
- Annual improvements to IFRS Accounting Standards- Volume 11 (effective from 1 January 2026).
- Amendments IFRS 9 and IFRS 7 classification and measurement of financial instruments (effective from 1 January 2026).
- IFRS 18 Presentation and Disclosures in Financial Statements (effective from 1 January 2027).
- IFRS 19 Presentation without Public Accountability: Disclosures (effective from 1 January 2027).
- IFRS S1 General requirements for Disclosure of Sustainability-related Financial Information (effective date not yet decided by the regulator in the United Arab Emirates).
- IFRS S2 Climate-related Disclosures (effective date not yet decided by the regulator in the United Arab Emirates).

The critical judgements and estimates used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the Group’s annual financial statements for the year ended 31 December 2024.

Abu Dhabi National Energy Company PJSC (“TAQA”)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2025 (Unaudited)

3 REVENUE

3.1 Revenue from generation of power and water

	<i>Three month period ended 30 June</i>		<i>Six month period ended 30 June</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>AED million</i>	<i>AED million</i>	<i>AED million</i>	<i>AED million</i>
Operating lease revenue	1,511	1,522	2,875	2,916
Revenue from operating financial assets	321	336	698	667
Energy payments and other related revenue	528	460	961	886
Fuel revenue*	681	645	1,346	1,317
Other revenue	148	160	247	274
	<u>3,189</u>	<u>3,123</u>	<u>6,127</u>	<u>6,060</u>

*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 and development fee revenue within “other revenue” which is recognised over time.

3.2 Revenue from transmission and distribution of power and water

	<i>Three month period ended 30 June</i>		<i>Six month period ended 30 June</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>AED million</i>	<i>AED million</i>	<i>AED million</i>	<i>AED million</i>
TUOS charges for unlicensed activities	272	254	537	515
Revenue from supply and distribution of power and water	4,084	3,598	7,319	6,591
Distribution connection and meter installation fees	74	57	147	130
Water coupons	30	21	55	42
Other operating revenue	5,125	4,451	10,666	9,277
	<u>9,585</u>	<u>8,381</u>	<u>18,724</u>	<u>16,555</u>

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. The computation of MAR is subject to Regulatory Control Mechanisms provided by DoE which are amended over the years and revenue is subject to judgements, interpretations and assumptions in respect of notified items, allowable deductions, performance incentives and correction factors.

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

Abu Dhabi National Energy Company PJSC (“TAQA”)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2025 (Unaudited)

3 REVENUE continued

3.3 Revenue from oil and gas

	<i>Three month period ended 30 June</i>		<i>Six month period ended 30 June</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>AED million</i>	<i>AED million</i>	<i>AED million</i>	<i>AED million</i>
Gross oil and gas revenue	695	1,129	2,030	2,869
Less: royalties	(66)	(65)	(125)	(138)
	629	1,064	1,905	2,731
Gas storage revenue	92	172	221	405
Net processing income	52	45	111	94
Other revenue	52	187	77	231
	825	1,468	2,314	3,461
Oil and gas net revenue in discontinued operations (note 18)	-	(64)	-	(110)
	825	1,404	2,314	3,351

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

3.4 Revenue from water solutions

	<i>Three month period ended 30 June</i>		<i>Six month period ended 30 June</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>AED million</i>	<i>AED million</i>	<i>AED million</i>	<i>AED million</i>
Sewerage services	627	593	1,263	1,213

Revenue is subject to Maximum Allowed Revenue (“MAR”) for sewerage services, calculated in accordance with the formula as defined in the License and Regulatory Control mechanisms document (issued by the DoE).

The computation of MAR is subject to Regulatory Control Mechanisms provided by DoE which are amended over the years and revenue is subject to judgements, interpretations and assumptions in respect of notified items, allowable deductions, performance incentives and correction factors

All revenue for sewerages services is recognised at a point in time.

Revenue from sewerage services commenced with TAQA Water Solutions (formerly Sustainable Water Solutions Holding Company (SWS Holding)) being transferred under the common control of the Company (note 19).

Abu Dhabi National Energy Company PJSC (“TAQA”)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2025 (Unaudited)

4 INCOME TAX

	<i>Three month period ended 30 June</i>		<i>Six month period ended 30 June</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>AED million</i>	<i>AED million</i>	<i>AED million</i>	<i>AED million</i>
<i>Current income tax:</i>				
Current income tax charge	24	228	29	592
<i>Deferred income tax:</i>				
Relating to origination and reversal of temporary differences	128	104	309	209
<i>Other tax related expenses:</i>				
Pillar II income taxes	-	-	-	-
Income tax expense	152	332	338	801

Tax for the six month period is charged at 11% (30 June 2024: 18%), representing the best estimate of the average annual effective tax rate expected for the full year, applied to the pre-tax income of the six 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:

	<i>Three month period ended 30 June</i>		<i>Six month period ended 30 June</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
Profit for the period attributable to equity holders of the parent from continuing and discontinued operations (<i>AED million</i>)	1,627	2,418	3,710	4,622
Weighted average number of ordinary shares issued (million)	112,434	112,434	112,434	112,434
Basic earnings per share (AED)	0.01	0.02	0.03	0.04

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.

Abu Dhabi National Energy Company PJSC (“TAQA”)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2025 (Unaudited)

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 four reportable operating segments as follows:

- Power and Water Generation Segment
- Power and Water Transmission & Distribution Segment
- Oil and Gas Segment
- Water Solutions 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 of 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 mainly 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.

Water Solutions Segment

This segment is engaged in overseeing the operation and maintenance of waste water facilities, as well as managing water collection, treatment, supply, and sewerage services in the UAE. A portion of revenue is earned from the Power and Water Transmission & Distribution segment.

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

Power and Water Generation – UAE	}	Generation
Power and Water Generation – Others		
Power and Water Transmission & Distribution – UAE/UK	}	Transmission & Distribution
Oil and Gas – North America		
Oil and Gas – Europe	}	Oil & Gas
Water Solutions – UAE		
	—	Water Solutions

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 the reportable operating segments and investments carried at fair value through other comprehensive income are managed on a group basis and are therefore not allocated to operating segments.

Abu Dhabi National Energy Company PJSC (“TAQA”)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2025 (Unaudited)

6 OPERATING SEGMENT INFORMATION continued

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

	<i>Transmission & Distribution AED million</i>	<i>Generation AED million</i>	<i>Water Solutions AED million</i>	<i>Oil & Gas AED million</i>	<i>Adjustments, eliminations & unallocated AED million</i>	<i>Consolidated AED million</i>
Period ended 30 June 2025 (unaudited):						
Revenue from external customers	18,724	6,127	1,263	2,314	-	28,428
Operating expenses	(13,505)	(2,393)	(425)	(1,199)	(14)	(17,536)
Depreciation, depletion, and amortisation	(1,745)	(2,123)	(366)	(400)	(8)	(4,642)
Gross profit	3,474	1,611	472	715	(22)	6,250
General and administrative expenses	(580)	(214)	(70)	(73)	(103)	(1,040)
Finance costs	(12)	(704)	(50)	(162)	(593)	(1,521)
Net foreign exchange gains (losses)	-	130	-	43	(163)	10
Share of results of associates and joint ventures	(123)	27	-	-	7	(89)
Other income	45	44	23	2	27	141
Dividend income from an investment	-	-	-	-	313	313
Interest income	80	120	8	153	(156)	205
Income tax expense	(148)	(148)	(30)	(11)	(1)	(338)
Profit for the period	2,736	866	353	667	(691)	3,931
Non-controlling interests	-	(203)	(18)	-	-	(221)
Profit for the period Attributable to equity holders of the parent	2,736	663	335	667	(691)	3,710
	<i>Transmission & Distribution AED million</i>	<i>Generation AED million</i>	<i>Water Solutions AED million</i>	<i>Oil & Gas AED million</i>	<i>Adjustments, eliminations & unallocated AED million</i>	<i>Consolidated AED million</i>
Period ended 30 June 2024 (unaudited):						
Revenue from external customers	16,555	6,060	1,213	3,351	-	27,179
Operating expenses	(11,292)	(2,186)	(342)	(1,592)	9	(15,403)
Depreciation, depletion, and amortisation	(1,714)	(2,247)	(357)	(409)	7	(4,720)
Gross profit	3,549	1,627	514	1,350	16	7,056
General and administrative expenses	(619)	(201)	(31)	(107)	(150)	(1,108)
Finance costs	(1)	(784)	(57)	(217)	(437)	(1,496)
Net foreign exchange (losses) gains	-	(22)	-	9	80	67
Share of results of associates and joint ventures	-	190	-	-	4	194
Other income	86	126	1	3	(7)	209
Dividend income from an investment	-	-	-	-	298	298
Interest income	105	192	8	178	(185)	298
Income tax expense	(185)	(208)	(26)	(351)	(31)	(801)
Profit from discontinued operations	-	-	-	48	-	48
Profit for the period	2,935	920	409	913	(412)	4,765
Non-controlling interests	-	(127)	(16)	-	-	(143)
Profit for the period Attributable to equity holders of the parent	2,935	793	393	913	(412)	4,622

Abu Dhabi National Energy Company PJSC (“TAQA”)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2025 (Unaudited)

6 OPERATING SEGMENT INFORMATION continued

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

	<i>Transmission & Distribution AED million</i>	<i>Generation AED million</i>	<i>Water Solutions AED million</i>	<i>Oil & Gas AED million</i>	<i>Adjustments, eliminations & unallocated AED million</i>	<i>Consolidated AED million</i>
At 30 June 2025 (unaudited)						
Property, plant and equipment	86,621	26,436	19,059	5,551	(171)	137,496
Operating financial assets	-	7,884	-	-	-	7,884
Investment in associates, joint ventures and related balances	1,109	15,648	-	-	208	16,965
Intangible assets	5,303	8,846	-	49	-	14,198
Investments carried at FVOCI	-	-	-	-	13,124	13,124
Deferred tax assets	-	10	1	5,137	-	5,148
Other assets	4,592	10,925	756	2,443	3,668	22,384
	-----	-----	-----	-----	-----	-----
Segmental assets	97,625	69,749	19,816	13,180	16,829	217,199
	=====	=====	=====	=====	=====	=====
Segmental liabilities	23,124	35,282	6,866	14,098	32,304	111,674
	=====	=====	=====	=====	=====	=====
	<i>Transmission & Distribution AED million</i>	<i>Generation AED million</i>	<i>Water Solutions AED million</i>	<i>Oil & Gas AED million</i>	<i>Adjustments, eliminations & unallocated AED million</i>	<i>Consolidated AED million</i>
At 31 December 2024 (audited)						
Property, plant and equipment	84,740	26,318	18,569	5,347	(32)	134,942
Operating financial assets	-	7,821	-	-	-	7,821
Investment in associates, joint ventures and related balances	1,160	14,657	-	-	208	16,025
Intangible assets	4,755	9,473	1	68	-	14,297
Investments carried at FVOCI	-	-	-	-	13,469	13,469
Deferred tax assets	-	10	-	5,558	48	5,616
Other assets	6,150	9,801	632	1,876	6,184	24,643
	-----	-----	-----	-----	-----	-----
Segmental assets	96,805	68,080	19,202	12,849	19,877	216,813
	=====	=====	=====	=====	=====	=====
Segmental liabilities	19,654	35,636	6,531	14,412	35,756	111,989
	=====	=====	=====	=====	=====	=====

Abu Dhabi National Energy Company PJSC (“TAQA”)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2025 (Unaudited)

7 PROPERTY, PLANT AND EQUIPMENT

During the six month period ended 30 June 2025, the Group’s additions excluding right-of-use assets amounted to AED 5,235 million (30 June 2024: AED 4,070 million) and a depreciation and depletion charge of AED 3,989 million (30 June 2024: AED 3,867 million).

8 CASH AND CASH EQUIVALENTS

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

	<i>At 30 June 2025 (Unaudited) AED million</i>	<i>At 31 December 2024 (Audited) AED million</i>	<i>At 30 June 2024 (Unaudited) AED million</i>
Cash in hand and at banks	5,204	4,319	4,238
Short term deposits	2,510	4,293	4,743
Cash at banks and on hand classified as held for sale (note 18)	-	-	(25)
	-----	-----	-----
Total cash and short term deposits	7,714	8,612	8,956
Restricted cash	(216)	(225)	(236)
Bank overdrafts	(4)	(5)	(3)
Cash at banks and on hand classified as held for sale (note 18)	-	-	25
	-----	-----	-----
Net cash and cash equivalents	<u>7,494</u>	<u>8,382</u>	<u>8,742</u>

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 30 June 2025, the Group had available undrawn committed borrowing facilities of AED 12,483 million (31 December 2024: AED 13,397 million and 30 June 2024: AED 13,499 million) in respect of which all conditions precedent have been met.

9 OTHER EQUITY

	<i>At 30 June 2025 (Unaudited) AED million</i>	<i>At 31 December 2024 (Audited) AED million</i>
Statutory reserve (i)	4,523	4,152
Merger reserve (ii)	<u>(55,437)</u>	<u>(55,437)</u>

(i) Statutory reserve

As required by the UAE Federal Law No. 32 of 2021 and Article 48 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.

Abu Dhabi National Energy Company PJSC (“TAQA”)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2025 (Unaudited)

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, TAQA Transmission (formerly 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 (TAQA Transmission).

10 INTEREST BEARING LOANS AND BORROWINGS AND ISLAMIC LOANS

	<i>30 June 2025 AED million</i>	<i>30 June 2024 AED million</i>
The Group had the following loan receipts / repayments during the period:		
<i>Repayments:</i>		
Interest bearing loans and borrowings	(4,225)	(4,895)
<i>Receipts:</i>		
Interest bearing loans and borrowings	1,537	570

2025

On 23 April 2025, the Group's AED 2,754 million bond (US \$750 million) matured and was repaid in full.

On 2 June 2025, the Group utilised AED 918 million (US \$250 million) of its revolving credit facility. Amounts borrowed carry interest of SOFR plus a margin.

2024

On 2 May 2024, the Group's AED 705 million bond (EUR 180 million) matured and was repaid in full.

On 6 May 2024, the Group's AED 2,754 million bond (US \$750 million) matured and was repaid in full.

Abu Dhabi National Energy Company PJSC (“TAQA”)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2025 (Unaudited)

10 INTEREST BEARING LOANS AND BORROWINGS AND ISLAMIC LOANS continued

Changes in liabilities arising from financing activities

	<i>1 January 2025 AED million</i>	<i>Cash flows (note i) AED million</i>	<i>Other (note ii) AED million</i>	<i>30 June 2025 AED million</i>
2025				
<i>Current:</i>				
Interest bearing loans and borrowings	9,152	(4,225)	1,493	6,420
Lease liabilities	291	(150)	255	396
	<u>9,443</u>	<u>(4,375)</u>	<u>1,748</u>	<u>6,816</u>
<i>Non-current:</i>				
Interest bearing loans and borrowings	54,972	1,537	(1,271)	55,238
Lease liabilities	280	-	285	565
	<u>55,252</u>	<u>1,537</u>	<u>(986)</u>	<u>55,803</u>
	<u>64,695</u>	<u>(2,838)</u>	<u>762</u>	<u>62,619</u>
	<i>1 January 2024 AED million</i>	<i>Cash flows (note i) AED million</i>	<i>Other (note ii) AED million</i>	<i>30 June 2024 AED million</i>
2024				
Interest bearing loans and borrowings	6,211	(4,895)	4,877	6,193
Lease liabilities	230	(113)	165	282
	<u>6,441</u>	<u>(5,008)</u>	<u>5,042</u>	<u>6,475</u>
<i>Non-current:</i>				
Interest bearing loans and borrowings	55,442	570	(3,648)	52,364
Lease liabilities	265	-	(72)	193
	<u>55,707</u>	<u>570</u>	<u>(3,720)</u>	<u>52,557</u>
	<u>62,148</u>	<u>(4,438)</u>	<u>1,322</u>	<u>59,032</u>

- (i) The cash flows relates to the net movements in interest bearing loans and borrowings 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.

Abu Dhabi National Energy Company PJSC (“TAQA”)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2025 (Unaudited)

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 condensed consolidated statement of profit or loss during the six month period:

	<i>Three month period ended</i> <i>30 June</i>		<i>Six month period ended</i> <i>30 June</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
	<i>AED million</i>	<i>AED million</i>	<i>AED million</i>	<i>AED million</i>
Emirates Water and Electricity Company:				
TUOS and connection charges for unlicensed activity	263	254	528	515
Revenue from electricity and water	2,179	2,116	4,073	4,011
Energy costs	(29)	(34)	(77)	(72)
Electricity and water bulk supply tariff*	(6,354)	(5,212)	(12,228)	(10,141)
	<u>(3,941)</u>	<u>(2,876)</u>	<u>(7,704)</u>	<u>(5,687)</u>
Other operating revenue	<u>5,752</u>	<u>5,044</u>	<u>11,929</u>	<u>10,490</u>
Other transactions				
Massar vehicle leasing	(7)	(6)	(13)	(12)
License fees to DoE	(30)	(25)	(60)	(73)
Charges for provision of IT support services	(8)	(7)	(14)	(13)
Finance costs	-	(1)	(2)	(3)
Interest income	7	10	27	30

Other operating revenue for sales of water and electricity and sewerage services 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 and sewerage services from its customers. Accordingly, the Group recognised this revenue based on those rights and rewards that are confirmed during the period.

* TAQA Distribution has a Bulk Supply Agreement with EWEC for the payment of charges levied under this Bulk Supply Tariff (“BST”) for the purchase of water and electricity. The tariff is regulated by the DoE.

Abu Dhabi National Energy Company PJSC (“TAQA”)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2025 (Unaudited)

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:

	<i>At 30 June 2025 (Unaudited) AED million</i>	<i>At 31 December 2024 (Audited) AED million</i>
<i>Non-current asset</i>		
Advance and loans to associates and joint ventures*	11,510	10,964
<i>Current assets</i>		
Bank balances with UAE government banks	4,189	4,722
Amounts due from Emirates Water and Electricity Company (EWEC)	2,067	1,792
Amounts due from Abu Dhabi Power Corporation (ADPC)	177	184
Amounts due from other related parties	208	1,597
	2,452	3,573
<i>Non-current liabilities</i>		
Loan from Abu Dhabi Power Corporation (ADPC)	14	15
Amounts due to Department of Energy (DoE)	-	33
Bank loans with government owned bank	-	125
	14	173
<i>Current liabilities</i>		
Amounts due to Emirates Water and Electricity Company (EWEC)	4,691	3,457
Amounts due to Abu Dhabi Power Corporation (ADPC)	969	994
Amounts due to Department of Energy (DoE)	117	62
Amounts due to other related parties	280	5
	6,057	4,518
Available undrawn bank facilities with UAE government banks	382	382

*On 26 February 2024, TAQA provided a shareholder loan of AED 1,105 million to Abu Dhabi Future Energy Company PJSC (Masdar). 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.

During the year ended 31 December 2024, TAQA Water Solutions (formerly Sustainable Water Solutions Holding Company (SWS Holding)) was acquired for a consideration of AED 1,724 million and an additional payment of AED 523 million linked to profits generated by Abu Dhabi Sewerage Services Company PJSC. The Group and acquired entities are ultimately controlled by the same party (ADQ) before and after the acquisition thus it is a business combination of entities under common control (note 19). The acquisition is classified as a related party transaction.

Abu Dhabi National Energy Company PJSC (“TAQA”)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2025 (Unaudited)

12 RELATED PARTY TRANSACTIONS continued

Compensation of key management personnel

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

	<i>Three month period ended</i>		<i>Six month period ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
	<i>AED million</i>	<i>AED million</i>	<i>AED million</i>	<i>AED million</i>
Short term benefits	14	11	26	23
Long term benefits	7	4	11	9
	-----	-----	-----	-----
	21	15	37	32
	=====	=====	=====	=====

13 COMMITMENTS AND CONTINGENCIES

(i) Capital expenditure commitments

The authorised contracted capital expenditure contracted for at 30 June 2025 but not provided for amounted to AED 20,172 million (31 December 2024: AED 11,791 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 873 million (31 December 2024: AED 861 million).

The Group’s associates and joint ventures have capital commitments of AED 1,806 million as at 30 June 2025 (31 December 2024: AED 1,796 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.

Abu Dhabi National Energy Company PJSC (“TAQA”)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2025 (Unaudited)

13 COMMITMENTS AND CONTINGENCIES continued

(iii) Contingencies continued

- 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

	30 June 2025 (Unaudited)			31 December 2024 (Audited)		
	Notional amount AED million	Fair value Current AED million	Fair value Non-current AED million	Notional amount AED million	Fair value Current AED million	Fair value Non-current AED million
Cash flow hedges						
Liabilities						
Interest rate swaps- hedged	13,163	112	420	14,621	86	323
Forward foreign exchange contracts	-	-	-	1,603	7	10
Future and forward contracts		-	-		16	-
		112	420		109	333
Assets						
Interest rate swaps- hedged	7,779	22	472	5,514	60	638
Forward foreign exchange contracts	1,733	101	102	791	14	-
Future and forward contracts		6	-		-	-
		129	574		74	638

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	
	30 June 2025 AED million	31 Dec 2024 AED million	30 June 2025 AED million	31 Dec 2024 AED million
Operating financial assets (note i)	7,884	7,821	8,095	7,865
Interest bearing loans and borrowings (note ii)	39,724	42,361	36,068	36,619

- (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.

Abu Dhabi National Energy Company PJSC (“TAQA”)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2025 (Unaudited)

14 FINANCIAL INSTRUMENTS continued

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.

	<i>Fair value AED million</i>	<i>Carrying value AED million</i>	<i>Fair value hierarchy</i>
At 30 June 2025			
Financial assets measured at fair value			
Interest rate swaps- hedged	494	494	Level 2
Forward foreign exchange contracts	203	203	Level 2
Future and forward contracts	6	6	Level 2
Listed equity investments	13,124	13,124	Level 1
Financial assets disclosed at fair value			
Operating financial assets	8,095	7,884	Level 3
Financial liabilities measured at fair value			
Interest rate swaps – hedged	532	532	Level 2
Financial liabilities disclosed at fair value			
Interest bearing loans and borrowings	36,068	39,724	Level 1
At 31 December 2024			
Financial assets measured at fair value			
Interest rate swaps- hedged	698	698	Level 2
Forward foreign exchange contracts	14	14	Level 2
Listed equity investments	13,469	13,469	Level 1
Financial assets disclosed at fair value			
Operating financial assets	7,865	7,821	Level 3
Financial liabilities measured at fair value			
Interest rate swaps – hedged	409	409	Level 2
Forward foreign exchange contracts	17	17	Level 2
Future and forward contracts	16	16	Level 2
Financial liabilities disclosed at fair value			
Interest bearing loans and borrowings	36,619	42,361	Level 1

Abu Dhabi National Energy Company PJSC (“TAQA”)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2025 (Unaudited)

14 FINANCIAL INSTRUMENTS continued

14.3 Fair Values hierarchy continued

During the period ended 30 June 2025 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 period 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.

Abu Dhabi National Energy Company PJSC (“TAQA”)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2025 (Unaudited)

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 30 June 2025 are listed below:

Subsidiaries	Effective ownership %	Country of incorporation and operations	Principal activities
FOREIGN SUBSIDIARIES			
TAQA Bratani Limited	100%	UK	Oil & gas production
TAQA North Limited	100%	Canada	Oil & gas production
TAQA Energy B.V	100%	Netherlands	Gas storage, oil & gas production
Transmission Investment Holding Limited (TI)	100%	UK	Utility investment platform
TAQA Morocco	86%	Morocco	Power generation
Jorf Lasfar Energy Company 5&6 S.A	91%	Morocco	Power generation
Takoradi International Company	90%	Cayman Islands/Ghana	Power generation
TAQA Neyveli Power Company Private Limited	100%	India	Power generation
DOMESTIC SUBSIDIARIES			
TAQA Transmission (formerly 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.
TAQA Distribution (formerly Abu Dhabi Distribution Company PJSC (ADDC) and Al Ain Distribution Company PJSC (AADC))	100%	UAE	
Mirfa International Power and Water Company PJSC (MIPCO)	60%	UAE	Generation of electricity and the production of desalinated water
Gulf Total Tractebel Power Company PJSC (GTTPC)	60%	UAE	
Sweihan PV Power Company PJSC	60%	UAE	
Shuweihat Asia Power Company PJSC (SAPCO)	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	Operating & maintenance
Taweelah Shared Facilities Company LLC	60%	UAE	
Shuweihat Shared Facilities Company LLC	52%	UAE	Operating & maintenance
Abu Dhabi Sustainable Water Solutions Company PJSC	100%	UAE	Water solutions
Al Wathba Veolia Besix Waste Water Company PJSC	60%	UAE	
Al Etihad Biwater Waste Water Company PJSC	60%	UAE	
ASSOCIATES			
Massar Solutions PJSC	49%	UAE	Lease management
Abu Dhabi Offshore Power Transmission Company Limited LLC	30%	UAE	Transmission of electricity
Jubail Energy Company LLC	25%	KSA	Generation of electricity
Mirfa Seawater Treatment and Supply Company MSTs LLC	26%	UAE	Seawater Treatment
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

Abu Dhabi National Energy Company PJSC (“TAQA”)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2025 (Unaudited)

15 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES continued

During the period ended 30 June 2025, The Group rebranded effective 1 January 2025, its wholly owned operating subsidiaries as follows:

- (i) Abu Dhabi Transmission and Despatch Company (TransCo) became TAQA Transmission,
- (ii) Sustainable Water Solutions Holding (SWS Holding) became TAQA Water Solutions,
- (iii) Abu Dhabi Distribution Company (ADDC) and Al Ain Distribution Company (AADC) was brought under a single new brand, TAQA Distribution.

On 17 April 2025, The Group acquired 100% of Transmission Investment Holding Limited (TI), a leading UK based energy and utility investment platform (note 20). There were no other changes in the major operating subsidiaries, joint ventures, and associates.

During the year ended 31 December 2024, TAQA Water Solutions (formerly Sustainable Water Solutions Holding Company (SWS Holding)) was acquired. The major operating entities under TAQA Water Solutions include Al Wathba Veolia Besix Waste Water Company PJSC, Al Etihad Biwater Waste Water Company PJSC and Abu Dhabi Sustainable Water Solutions Company PJSC (note 19). There were no other changes in the major operating subsidiaries, joint ventures, and associates. Additional joint ventures were added that involve projects under development and are not major to the group.

16 DIVIDENDS

2025

At the General Assembly meeting in March 2025, the shareholder’s approved a final and variable dividend of AED 2,363 million, being AED 0.021 per share for the year ended 31 December 2024. Both dividends were paid in the three month period ended 31 March 2025.

On 14 May 2025, the Board of Directors approved an interim dividend of AED 843 million, being AED 0.008 per share for the quarter ended 31 March 2025. The interim dividend was paid on 28 May 2025.

2024

At the General Assembly meeting in March 2024, the shareholder’s approved a final and variable dividend of AED 2,249 million, being AED 0.020 per share for the year ended 31 December 2023. Both dividends were paid in the three month period ended 31 March 2024.

On 12 May 2024, the Board of Directors approved an interim dividend of AED 787 million, being AED 0.007 per share for the quarter ended 31 March 2024. The interim dividend was paid on 28 May 2024.

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.

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 condensed consolidated financials is as follows:

	<i>At 30 June 2025 (Unaudited) AED million</i>	<i>At 31 December 2024 (Audited) AED million</i>
Investments carried at fair value through other comprehensive income	<u>13,124</u>	<u>13,469</u>

Abu Dhabi National Energy Company PJSC (“TAQA”)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2025 (Unaudited)

17 INVESTMENTS CARRIED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME continued

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:

	<i>At 30 June 2025 (Unaudited) AED million</i>	<i>At 31 December 2024 (Audited) AED million</i>
At 1 January	13,469	11,858
Change in fair value	(345)	1,611
	<u>13,124</u>	<u>13,469</u>

18 DISCONTINUED OPERATIONS

On 22 January 2024, TAQA entered into definitive agreements with General Exploration Partners Inc. for the sale of its interest in Atrush oil field in the Kurdistan region of Iraq. On 7 August 2024, the Group formally completed the sale of the Atrush block. As at 30 June 2024, the assets in Iraq contained with the Oil & Gas operating segment were classified as a disposal group held for sale and as a discontinued operation.

The assets contribution to the Group’s results are presented below:

	<i>Six month period ended 30 June 2024 (unaudited) AED million</i>
Revenues	110
Costs	(53)

Gross profit	57
General and administrative expenses	(9)

Profit for the period from discontinued operations	48
	=====
Basic and diluted earnings per share attributable to equity holders of the parent (AED) from discontinued operations	0.00
	=====

The net cash flows incurred by the assets are as follows:

	<i>30 June 2024 (unaudited) AED million</i>
Net cash used in operations	(24)
Net cash generated in investing activities	7

Net decrease in cash and cash equivalents	(17)
	=====

Abu Dhabi National Energy Company PJSC (“TAQA”)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2025 (Unaudited)

19 TRANSFER OF ENTITIES UNDER COMMON CONTROL

On 4 September 2024, TAQA completed the acquisition of all outstanding shares of TAQA Water Solutions (formerly Sustainable Water Solutions Holding Company (SWS Holding)) for a consideration of AED 1,724 million. 50% of the consideration was paid at completion and the remaining 50% to be paid one year after completion. TAQA Water Solutions made an additional payment of AED 523 million linked to net profits generated by Abu Dhabi Sewerage Services Company PJSC during the year ended 31 December 2023. TAQA Water Solutions was established 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. TAQA Water Solutions owns Abu Dhabi Sustainable Water Solutions Company, the main entity behind all wastewater collection treatment, and reuse in the Emirate of Abu Dhabi. The acquisition date in the interim condensed consolidated financial statements is 1 January 2024, being the date the Group gained control over TAQA Water Solutions.

The acquisition is excluded from the scope of International Financial Reporting Standards 3 (IFRS 3) "Business Combinations" as it is a business combination of entities under common control, given that the Group and the acquired entities are ultimately controlled by the same party (ADQ) before and after the acquisition. The acquisition has been accounted for in the interim condensed consolidated financial statements using the pooling of interest method, which reflects the economic substance of the transaction.

The Group has elected to consolidate the assets and liabilities of acquired entities from the date of acquisition without restating and presenting the prior period. The components of equity of the transferred entity are added to retained earnings and non-controlling interests within the Group's equity.

In the period ending 30 June 2025, TAQA Water Solutions contributed AED 1,263 million (30 June 2024: AED 1,213 million) of revenue and AED 335 million (30 June 2024: AED 393 million) of profit to the Group.

Assets acquired and liabilities assumed:

The major classes of assets and liabilities of SWS Holding were as follows:

	<i>At 1 January 2024 AED million</i>
<i>Assets</i>	
Property, plant and equipment	18,559
Other assets	73
Inventories	16
Amounts due from related parties	1,080
Cash and bank balances	463
Accounts receivable and prepayments	1,456

	21,647
	=====
<i>Liabilities</i>	
Interest bearing loans and borrowings	1,469
Other liabilities	60
Amounts due to related parties	501
Accounts payable, accruals and other liabilities	4,823

	6,853
	=====
Consideration payable (note 12)	(2,247)
Equity	12,547
	=====

Included in equity is AED 227 million of non-controlling interests at 1 January 2024.

Abu Dhabi National Energy Company PJSC (“TAQA”)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2025 (Unaudited)

20 BUSINESS COMBINATION

On 17 April 2025, the Group acquired a 100% equity interest of Transmission Investment Holding Limited (TI) for a total consideration of AED 534 million. As part of the purchase agreement for the acquisition, cash of AED 396 million was paid on completion and AED 138 million of contingent consideration remains payable. TI is a leading UK based energy and utility investment platform. TI is one of the largest players operating offshore transmission (OFTO) assets connecting offshore wind farms to the UK grid. The transaction is effective 17 April 2025 and accounted for using the acquisition method under IFRS 3 Business Combination. The provisional fair value of identifiable assets and liabilities of TI at the acquisition date based on the purchase price allocation was the following:

	<i>Provisional At 17 April 2025 AED million</i>
<i>Assets</i>	
Intangible assets	223
Cash and bank balances	102

	325
<i>Liabilities</i>	
Accounts payable, accruals and other liabilities	6

Total net assets at fair value	319
	=====
Goodwill arising on acquisition	215
	=====
Total purchase consideration	534
	=====

In the period ending 30 June 2025, TI contributed AED 5 million of revenue and AED 3 million of loss to the Group.

21 EVENTS AFTER THE REPORTING DATE

Dividends

On 13 August 2025, the Board of Directors proposed an interim dividend of AED 843 million, being AED 0.008 per share for the quarter ended 30 June 2025. The interim dividend is in accordance with the dividend policy approved by the shareholders on 15 March 2023.