



TAQA Shareholders Approve Transaction to Accelerate Transformation of the UAE's Power and Water Sector

- *Transaction establishes a new 'regional champion', optimally positioned to capture growth opportunities in the UAE and international markets, reinforcing its vital role in delivering the UAE's Energy Strategy 2050*
- *Power generation capacity increases by approximately 4.9 GW to 22.7 GW, and contracted water capacity increases by approximately 59 MIGD to 968 MIGD*
- *TAQA to serve more than 1 million customers in the UAE, with approximately 80,000 km of electricity transmission and 20,000 km of water pipelines*
- *Operations to continue in 11 countries, including the USA, United Kingdom, Netherlands, Canada, Iraq, Saudi Arabia, Oman, India, Morocco and Ghana*
- *Experienced board to leverage respective track records in value-creation, long-term growth and financial stability*

29 April 2020 – Abu Dhabi, UAE: Shareholders of Abu Dhabi National Energy Company PJSC ("TAQA" or "Company") have voted at the Company's Annual General Assembly to approve the transfer of the majority of Abu Dhabi Power Corporation's ("ADPower") water and electricity generation, transmission and distribution assets to TAQA, which is owned by ADQ, one of the region's largest holding companies. This transaction creates one of the largest utilities companies in the GCC, and a top-10 integrated utilities player in the EMEA region by regulated assets.

The transaction, which is scheduled to close in the third quarter of 2020, creates a regional utilities champion with the financial strength and expertise to accelerate the transformation of the UAE's power and water sector and the capacity to pursue new growth opportunities in international markets. TAQA will benefit from enhanced revenues, a robust capital structure producing stronger cash generation, with potential for significant and sustainable dividends and business growth.

When the transaction is completed, TAQA's assets will include majority stakes in almost all power and water generation plants in the UAE, making it the nation's predominant power and water, transmission and distribution company. TAQA will also continue to own power generation plants in the USA, Oman, Morocco, India, Saudi Arabia and Ghana, as well as oil and gas operations in the UK, Netherlands, Canada and Iraq.

By combining TAQA's and ADPower's highly complementary businesses – and strategic and operational expertise – the company will be well-positioned to pay consistent dividends to shareholders in the future. TAQA will also consider a follow-on public offering on the Abu Dhabi Stock Exchange to further diversify its shareholder base, allowing more investors to take advantage of the company's potential for growth and expansion.



H.E. Mohamed Hassan Alsuwaidi, Chief Executive Officer of ADQ, Vice Chairman of ADPower and Board Member of TAQA, said: “As ADQ seeks to harness and enhance the value and diversity of our investment portfolio to drive Abu Dhabi’s economic growth and prosperity, this transaction demonstrates what that means in highly visible and practical terms. The energy and power sector remains core to Abu Dhabi’s economy, and is still one of its most strategically important and most potent as a generator of revenue and a multiplier of value. Measured by scale and scalability, technical expertise and earning ability, the new combined entity is a true regional utilities champion, and a powerhouse for Abu Dhabi’s future.”

Saeed Hamad Al Dhaheeri, Chief Executive Officer of TAQA, commented:

“This is a transformational deal for TAQA. We have complementary domestic and strong international footprints in the UAE, EMEA and the Americas, and this move gives us the financial muscle and expertise to capture new opportunities in the future. The larger company will benefit from its extensive network to capitalise on growing demand for power and water while also playing a key role in supporting the UAE’s transition to clean energy as part of the country’s Energy Strategy 2050.”

Jasim Husain Thabet, Chief Executive Office and Managing Director of ADPower, added:

“This transaction pools the considerable resources of Abu Dhabi’s utilities sector to create significant added value, profitable growth and financial stability, advancing our water and electricity ambitions in alignment with our nation’s progressive, long-term vision. We are creating a powerful industry heavyweight, underpinned by a dynamic engine of growth that will continue to attract world-class talent, partnership and investment. Through deep collaboration and strategic execution, TAQA and ADPower will write a new chapter for our communities’ evolving water and electricity industry – and, in turn, for our nation – in the future.”

Transaction Structure

During TAQA’s Annual General Assembly, its shareholders, representing more than 89 percent of TAQA’s share capital, approved ADPower’s offer, submitted on 3 February 2020. Under the terms of the agreement, ADPower will transfer to TAQA the majority of its water and electricity generation, transmission and distribution assets in exchange for 106,367,950,000 new shares and the land lease agreement between the two companies will be terminated.

This offer implies an exchange ratio of 17.53423833 new ordinary shares in TAQA issued for every existing TAQA share. When applied to ADPower’s valuation of the contributed assets, the offer implies an equity value of TAQA of AED 4.156 billion. When the transaction closes, ADPower will own 98.60% of the entire issued share capital of TAQA.

The transaction is subject to regulatory and other approvals, including approval by the Abu Dhabi Department of Energy and the Securities and Commodities Authority.

Creation of a Major Regional Utilities Company

The transaction consolidates the interests of the Abu Dhabi Government in power and water production assets in the UAE and creates one of the largest integrated utility companies in the GCC region. The transaction is guided by the UAE’s Energy Strategy 2050 and Water Security Strategy 2036, designed by the Ministry of Energy and Industry to advance the cleaner and more efficient use of resources.

TAQA will become a regional leader with the financial muscle and expertise to accelerate the transformation of the water and electricity sector and the capacity to pursue new opportunities in other international markets.



TAQA will generate recurring, stable income with more than 85% of its revenues coming from regulated and long-term contracted businesses, supplemented by oil and gas assets. The Company will have a stronger long-term capital structure, which is expected to enable sustainable dividend distributions to shareholders, as well as the financial firepower for new investment both to enhance efficiency and to expand through new ventures.

TAQA will be a top-10 integrated utilities player in the EMEA region by regulated assets and one of the largest publicly listed companies in the UAE, based on market capitalization.

The Company benefits from significant operational scale:

- More than 1 million customers in the UAE
- Operations in 11 countries
- An electricity network of 80,000 km and water pipeline of 20,000 km
- Production of 320 billion gallons of water per year
- Electricity generation capacity of 23 GW (enough to power 3.5 million homes)
- An oil and gas exploration and production network in Europe, North America and Iraq

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About TAQA

Established in 2005, TAQA is a diversified international energy group headquartered in Abu Dhabi, the capital of the United Arab Emirates, and listed on the Abu Dhabi Securities Exchange (ADX: TAQA). TAQA is owned by ADQ, one of the region's largest government-owned holding companies, headquartered in Abu Dhabi. It has investments in power generation, water desalination, oil and gas exploration and production, pipelines and gas storage. The company's assets are located in Canada, Ghana, India, Iraq, Morocco, Oman, Saudi Arabia, the United Arab Emirates, the Netherlands, the United Kingdom and the United States of America. www.taqaglobal.com

About Abu Dhabi Power Corporation

Abu Dhabi Power Corporation (ADPower) is a public joint stock company which is owned by ADQ, one of the region's largest government-owned holding companies, and headquartered in Abu Dhabi. It oversees the financial and operational growth of Abu Dhabi's water and electricity sector. ADPower's subsidiaries are Emirates Water and Electricity Company* (EWEC), Abu Dhabi Transmission and Despatch Company (TRANSCO), Abu Dhabi Distribution Company (ADDC), Al Ain Distribution Company (AADC), Al Mirfa Power Company (AMPC), Abu Dhabi Energy Services Company (ADES) and the Abu Dhabi Exchange -listed Abu Dhabi National Energy Company (TAQA). ADPower is responsible for the transformation of Abu Dhabi's water and electricity sector into a reliable, efficient, sustainable and value-generating system that is fit for the future. ADPower is a subsidiary of Abu Dhabi Development Holding Company (ADQ). For more information, please visit: www.abudhabipower.ae

** Emirates Water and Electricity Company and ADPower's waste water assets are not included in this transaction and will continue to operate separately.*

About ADQ

Headquartered in Abu Dhabi, ADQ was established in 2018 as a public joint stock company (PJSC). It holds a diverse portfolio of major enterprises spanning key sectors of Abu Dhabi's economy, including utilities, tourism and hospitality, aviation, transportation, logistics, industrial, real estate, media, healthcare, agri-foods and financial services.



With a clearly defined mandate to generate sustainable financial returns for the Government of Abu Dhabi, ADQ stimulates value creation by developing prominent cluster ecosystems and instilling a culture of performance and efficiency across its portfolio of companies.

In addition to its role as a strategic government partner, ADQ is an asset owner and investor in target sectors, both locally and internationally, which align with Abu Dhabi's leadership vision.

ADQ is committed to developing a globally competitive Abu Dhabi and operates with world-class standards of governance.