



FOR IMMEDIATE RELEASE:

TAQA Group Reports Net Income of AED 1.3 billion for First Nine Months of 2020

Board increases Company's foreign ownership limit to 49%

Board proposes a new dividend policy to pay sustainable and increasing dividends starting with an interim 2020 dividend of 1.50 fils/share

Abu Dhabi, UAE – November 10, 2020: Abu Dhabi National Energy Company PJSC (“TAQA”, the “Company” or the “Group”), a regionally leading, fully integrated utilities company and one of the UAE’s largest publicly listed companies by market capitalization, has reported its first consolidated pro-forma financial results following its transaction with Abu Dhabi Power Corporation (ADPower) on July 1, 2020.

TAQA delivered a resilient performance amid softer economic conditions that included the following highlights from the first nine months of 2020:

Financial:

- Group revenues of AED 30.8 billion were 7% lower than the prior year period, primarily due to lower commodity prices and production volumes within the Oil & Gas segment.
- EBITDA was AED 12.0 billion, down 17%, mainly reflecting lower revenues.
- Net income (TAQA-share) decreased to AED 1.3 billion, which reflected a significantly lower contribution from the Oil & Gas segment, including a AED 1.5 billion post-tax impairment charge taken in Q1 2020.
- Capital expenditure was AED 2.8 billion, a decrease of 20% primarily due to lower spend in the Oil & Gas segment.

Operational:

- Generation global technical availability of 94.9% was consistent with the prior period.
- Transmission & Distribution regulated asset value was AED 80.8 billion, a 2% decrease.
- Oil & Gas average production volumes were 118.5 mboepd, a 4% decrease.

In addition to approving TAQA Group's financial results, the Board of Directors approved an increase in the Company's foreign ownership limit of TAQA shares to 49%, effective immediately. Ownership was previously limited to UAE nationals and institutions.

The Board also proposed a new dividend policy that will target a total dividend of 2.50 fils/share for 2020, growing 10% annually for the following two years. As per the proposed policy, dividends for 2020 will be paid through an interim dividend of 1.50 fils/share to be paid as soon as possible and a final dividend of 1.00 fils/share to be paid after the Annual General Assembly in 2021. Dividends for 2021 and 2022 will be paid quarterly. TAQA will be the first UAE listed company to pay dividends on a quarterly basis. The implementation of the policy will be subject to further regulatory and shareholder approval, which, once obtained, will allow the Board to subsequently approve the payment of an interim dividend as soon as possible thereafter.

Following the Company's Board meeting, **H.E. Mohamed Hassan Al Suwaidi, Chairman of TAQA Group, commented:** "We are excited to see TAQA embark on a journey that is strengthened by the recent integration with ADPower. We are also pleased to start delivering on the Company's new strategic imperatives, which includes delivery of sustainable shareholder returns. To that end, we will propose to our shareholders a progressive dividend policy that will see TAQA return cash to investors on a quarterly basis – a first in the UAE by a publicly listed company – and commit to growing this by 10% per year over the next two years. Our decision to permit foreign ownership in TAQA, for the first time and to the maximum limit allowed, is another step in our strategy to diversify our investor base, improve the stock's liquidity and support the significant efforts of our country's leadership to encourage foreign capital inflows and position the UAE among the most attractive economies for foreign direct investment."

Jasim Husain Thabet, TAQA's Group Chief Executive Officer and Managing Director, said: "Strong market headwinds have challenged the entire energy industry this year, but as a new, transformed company, TAQA's financial results demonstrate the company's ability to deliver on our core mandate – to reliably supply energy and water to those we serve. TAQA continues to forge ahead, emboldened by the operational and strategic ambitions we established at the closing of our landmark transaction with ADPower. Looking ahead, I am confident that TAQA's expanded scale, financial strength and capital structure will enable us to deliver on our core mandate and secure domestic and international growth opportunities that deliver sustainable returns to shareholders and position the Company for success – now and for many years to come."

Note to Editors

The financial information referenced in this press release has been prepared on a pro-forma basis, as if the merger between TAQA and ADPower took place on January 1, 2019. This enables like-for-like comparability with prior year periods.

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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 is 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.