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TAQA Group Reports Full Year 2024 Net Income of AED 7.1 Billion and Revenue of AED 55.2 Billion for FY2024

TAQA's distribution businesses merged under a single entity, TAQA Distribution, to enhance customer experience and operational excellence

TAQA strengthens utilities leadership with new brand identity and continued international expansion

AED 9.2 billion Capex invested in 2024, with particular focus on the UAE utilities business

Board proposes final cash dividend for 2024 of 2.1 fils/share, bringing the full year dividend to 4.2 fils/share

Abu Dhabi, UAE – 13 February 2025: Abu Dhabi National Energy Company PJSC (TAQA), one of the largest listed integrated utilities in Europe, the Middle East, and Africa, has reported its earnings for the period ending 31 December 2024. The Group's financial performance was underpinned by robust operations across its utilities business, bolstered by the contributions from TAQA Water Solutions (formerly SWS Holding).

Financial Highlights

- **Group revenues** increased 6.7% year-on-year to AED 55.2 billion, driven by sustained growth in Transmission & Distribution (T&D) and the consolidation of TAQA Water Solutions (TAQA WS).
- **EBITDA** was AED 21.4 billion, up 5.9% compared to the prior year, excluding the AED 10.8 billion related to the acquisition of a 5% stake in ADNOC Gas. Including this one-off item, EBITDA saw a decrease of 31% year-on-year.
- **Net income** was AED 7.1 billion, up 1.5% compared to the prior year, excluding one-off items (AED 10.8 billion) related to the acquisition of a 5% stake in ADNOC Gas and an AED 1.1 billion deferred tax charge due to the introduction of UAE corporate tax. Including these one-off items, net income recorded a AED 9.6 billion year-on-year decline.
- **Capital expenditure** increased by 63.8% to AED 9.2 billion, primarily driven by construction progress in the Mirfa 2 Reverse Osmosis (M2 RO) and Shuweihat 4 Reverse Osmosis (S4 RO) desalination projects, timing and phasing of project execution within T&D and the inclusion of TAQA WS.
- **Free cash flow generation** amounted to AED 2.6 billion, down from AED 13.9 billion in 2023, reflecting increased investments in Masdar, capital investment across Generation, T&D and Water Solutions and the acceleration of decommissioning activities within oil and gas.
- **Gross debt** was AED 64.1 billion, up from AED 61.7 billion at the end of 2023, primarily due to the issuance of an aggregate AED 6.4 billion in 7-year and 12-year dual-tranche corporate bonds, consolidation of AED 1.5 billion in project debt from the acquisition of SWS Holding and AED 1.4 billion for the construction of the M2 RO and S4 RO desalination projects, offset by the repayment

of AED 3.5 billion in matured corporate bonds, AED 2.9 billion in scheduled loan repayments and AED 0.5 billion of other minor movements.

Operational Highlights

- **Transmission network availability** for power and water reached 98.7%, marginally higher from 98.4% in 2023.
- **Generation global commercial availability** marginally improved to 98.0% from 97.9% in the previous year.
- **Water Solutions asset availability** stood at 95.3%, reflecting strong operational performance.
- **Oil & Gas production** decreased 5.9% year-on-year to 101.4 mboe/d. This fall is mainly due to the natural decline in production and decommissioning activity, primarily as a result of the cessation of production of four UK assets as the Company transitions its focus towards safe and efficient decommissioning.

Strategic Highlights

- Distribution businesses Abu Dhabi Distribution Company (ADDC) and Al Ain Distribution Company (AADC) have been **merged under single entity with a new brand**, TAQA Distribution. The merger is expected to improve customer experience and strengthen internal capabilities by enhancing scale and unlocking further opportunities for operational excellence and growth.
- TAQA launched a **new brand identity** for its group of companies. This move marks a milestone in the transformation and growth of the Company and underpins its strategy to grow through delivering integrated power and water services in the UAE and internationally.
- **TAQA continues to expand its portfolio (including Masdar) domestically and internationally:**
 - **UAE:** The Taweelah Reverse Osmosis (RO) Independent Water Plant achieved full commercial operation in Q1. With a capacity of 200 MIGD, Taweelah RO is one of the world's largest RO desalination plants.
 - **Saudi Arabia:** This is a key international target market for TAQA and significant progress was made on a number of projects in the Kingdom in 2024, as below:
 - Financial close was achieved for Juranah Independent Strategic Water Reservoir Project, a strategic water infrastructure project aimed at addressing emergency municipal water demand across the Kingdom, specifically in the Makkah region during the Hajj season. The project is being developed by TAQA in conjunction with partners Vision Invest and GIC Consortium.
 - Financial close was achieved for Najim Cogeneration Company, a new industrial steam and electricity cogeneration plant that will supply up to 475 MW of electricity and approximately 452 tonnes per hour (tph) of steam to a petrochemical complex located in Jubail in the Eastern Province of the Kingdom. TAQA will own 51% of the plant, with JERA owning the remaining 49%.
 - Two 25-year Power Purchase Agreements (PPAs) were signed by a consortium of TAQA, JERA and Al Bawani, with Saudi Power Procurement Company (SPPC) to develop two new greenfield power projects, one each in Rumah and Al Nairyah, with a combined capacity of 3.6 GW.

The two new plants will be developed as highly efficient combined cycle gas power plants, by respective special purpose entities owned by TAQA (49%), JERA (31%)

and Al Bawani (20%) with operation and maintenance (O&M) of the plants to be undertaken through respective O&M special purpose entities having the same shareholding structure.

- **North America:** Masdar acquired a 50% stake in Terra-Gen Power Holdings II, significantly expanding its presence in the US renewables market. Terra-Gen's gross operating portfolio at the time of acquisition comprised 3.8 GW of wind, solar and battery storage projects, including 5.1 GWh of energy storage facilities across 30 renewable energy sites throughout the US.
- **Europe:** Masdar also completed three key acquisitions in Europe, expanding its footprint in the continent:
 - Masdar completed the acquisition of Saeta Yield ("Saeta") from Brookfield Renewable. Saeta is an established renewables platform with an operating portfolio of 745 MW of predominantly wind assets (at the time of acquisition), and a 1.6 GW development pipeline in Spain and Portugal.
 - Masdar and Endesa S.A. finalised a partnership agreement to advance renewable energy initiatives in Europe. Under this agreement, Masdar has acquired a 49.99 percent stake in EGPE Solar, a subsidiary of Enel Group's Endesa. EGPE, at the time of acquisition, owned a 2 GW portfolio of operational photovoltaic (PV) assets in Spain.
 - Masdar also enhanced its renewable energy portfolio in Greece and the EU, through acquisition of Terna Energy, which had an operating capacity of 1.2 GW at the time of acquisition and targeting 6 GW of operational renewable capacity by 2029.
- **Adding water sector capabilities:** 2024 witnessed the completion of 100% acquisition of SWS Holding by TAQA. Rebranded to TAQA Water Solutions, it is the sole entity responsible for wastewater collection and treatment as well as production of recycled water in the Emirate of Abu Dhabi. This acquisition expands TAQA's capabilities in managing water and complements its existing portfolio, while adding significant value to the Company's asset base (regulated asset value of around AED 17.5 billion, with a network of approximately 13,000 km of sewer pipelines and water treatment capacity of approximately 1.3 million cubic meters).
- **Oil & Gas:** Key developments during 2024 in the Oil & Gas business include:
 - The sale of TAQA's stake in the Atrush oil field in the Kurdish Region of Iraq.
 - TAQA is also making significant progress in the UK, transitioning its focus towards safe and efficient decommissioning. Cessation of production at its North Cormorant, Cormorant Alpha, Eider and Tern platforms means that during 2024 the company has ended production in the Northern North Sea
 - Onshore gas production in the Netherlands was ceased, 50 years after the start of production in the Dutch Alkmaar region.
- **Strong access to capital markets:**
 - Fitch Ratings upgraded TAQA's rating to 'AA', up from 'AA-', demonstrating its strong balance sheet.
 - TAQA issued USD 1.75 billion (~AED 6.4 billion) in dual-tranche bonds (7-year and 12-year notes) in October. The USD 850 million (~AED 3.1 billion) 12-year notes represent

TAQA's second green bond issuance, the net proceeds of which are being used to finance, refinance and invest in relevant eligible green projects, as outlined in the Company's Green Finance Framework.

- **Continued recognition of ESG initiatives:** TAQA's commitment to sustainability continues to be recognised by the broader market, with MSCI upgrading the Company's ESG rating to 'A', up from 'BBB'.

H.E. Mohamed Hassan Alsuwaidi, TAQA's Chairman, commented: "2024 was a pivotal year for TAQA as it further strengthened its position as a global leader in low-carbon power and water both in the UAE and abroad. TAQA's strong financial results for the year as well as the credit rating of AA by Fitch, which highlights the resilience of its balance sheet, are testimony to this.

Throughout 2024, TAQA continued its growth, marked by key milestones such as the successful closing of the TAQA Water Solutions acquisition as well as strategic investments in international power generation projects.

The robust performance across TAQA's businesses demonstrates its commitment to driving long-term value for its shareholders while positively contributing to the economic progress and environmental goals of the communities it serves."

Jasim Husain Thabet, Group CEO and Managing Director of TAQA said: "TAQA's strong financial performance in 2024 was driven by robust results across our businesses. The year was a milestone for TAQA, highlighted by the merger of Abu Dhabi Distribution Company and Al Ain Distribution Company under the new TAQA Distribution brand, alongside the rebranding of our other operating entities in the UAE. This streamlining of our operations strengthens our customer service offering across the Emirate of Abu Dhabi, setting the stage for future growth.

On the water side, we also expanded our capabilities in water treatment and reuse through the integration of TAQA Water Solutions, adding AED 17.5 billion to our regulated asset value.

He added: "Internationally, we made notable progress, particularly in the Kingdom of Saudi Arabia where we reached financial close for two of our projects, the Juranah Strategic Water Reservoir in Makkah region and the Najim Cogeneration Plant in Jubail, and signed project agreements with our partners to develop two high-efficiency gas power plants, one each in Rumah and Nairyah, with a combined capacity of 3.6 GW, further strengthening our presence in the Kingdom.

Through Masdar, we took significant steps toward achieving our 2030 target of 100 GW of global renewable capacity, with several key acquisitions, including Terra-Gen in the US, Terna Energy and Saeta in Europe as well as a significant share in Endesa's renewables portfolio in Spain.

To finance our growth, TAQA issued USD 1.75 billion in dual-tranche bonds, demonstrating strong market confidence in our business. On the ratings front, beyond the improvement of our credit rating, MSCI upgraded our ESG rating to A, reinforcing our commitment to sustainable growth.

As we look ahead, TAQA remains focused on delivering its 2030 strategy by investing in critical infrastructure, driving innovation, and expanding internationally. I am proud of our achievements in 2024, and I am confident in our ability to deliver reliable and sustainable energy and water solutions while creating long-term value for all our stakeholders."

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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, water treatment and reuse, 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, Morocco, Oman, the Netherlands, Saudi Arabia, the United Kingdom and the United States. For more information, please visit: www.taqa.com and follow us @TAQAGroup on LinkedIn, Twitter, Instagram and YouTube.