

**Abu Dhabi National Energy Company PJSC  
("TAQA")**

REVIEW REPORT AND INTERIM CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED  
31 MARCH 2022 (UNAUDITED)

**REPORT ON REVIEW OF CONDENSED FINANCIAL STATEMENTS  
THE BOARD OF DIRECTORS  
ABU DHABI NATIONAL ENERGY COMPANY PJSC (“TAQA”)**

### ***Introduction***

We have reviewed the accompanying condensed consolidated statement of financial position of Abu Dhabi National Energy Company PJSC (“the Company”) (“TAQA”) and its subsidiaries (together referred to as “the Group”) as of 31 March 2022, and the related consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard (IAS) 34, “*Interim Financial Reporting*”. Our responsibility is to express a conclusion on this interim financial information 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 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 condensed consolidated financial statement is not prepared, in all material respects in accordance with IAS 34, “*Interim Financial Reporting*”.

Deloitte & Touche (M.E.)



Obada Alkowitzly  
Registration No. 1056  
11 May 2022  
Abu Dhabi  
United Arab Emirates

# Abu Dhabi National Energy Company PJSC (“TAQA”)

## INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Three month period ended 31 March 2022 (Unaudited)

		<i>31 March</i>	
		<i>2022</i>	<i>2021</i>
	<i>Notes</i>	<i>AED million</i>	<i>AED million</i>
<b>REVENUES</b>			
Revenue from generation of power and water	3.1	<b>2,887</b>	2,812
Revenue from transmission and distribution of power and water	3.2	<b>6,451</b>	5,856
Revenue from oil and gas	3.3	<b>3,075</b>	1,658
		-----	-----
		<b>12,413</b>	10,326
		-----	-----
<b>COST OF SALES</b>			
Operating expenses		<b>(6,539)</b>	(5,186)
Depreciation, depletion and amortisation		<b>(2,382)</b>	(2,275)
		-----	-----
		<b>(8,921)</b>	(7,461)
		-----	-----
<b>GROSS PROFIT</b>			
		<b>3,492</b>	2,865
General and administrative expenses		<b>(408)</b>	(493)
Finance costs		<b>(743)</b>	(808)
Net foreign exchange loss		<b>(34)</b>	(11)
Share of results of associates and joint ventures		<b>147</b>	45
Interest income		<b>6</b>	105
Other income		<b>42</b>	106
		-----	-----
<b>PROFIT BEFORE TAX</b>			
		<b>2,502</b>	1,809
		-----	-----
Income tax expense	4	<b>(609)</b>	(377)
		-----	-----
<b>PROFIT FOR THE PERIOD</b>			
		<b>1,893</b>	1,432
		=====	=====
Attributable to:			
Equity holders of the parent		<b>1,971</b>	1,435
Non-controlling interests		<b>(78)</b>	(3)
		-----	-----
<b>PROFIT FOR THE PERIOD</b>			
		<b>1,893</b>	1,432
		=====	=====
Basic and diluted earnings per share attributable to equity holders of the parent (AED)	5	<b>0.02</b>	0.01
		=====	=====

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

# Abu Dhabi National Energy Company PJSC (“TAQA”)

## INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Three month period ended 31 March 2022 (Unaudited)

	<b>31 March</b>	
	<b>2022</b>	<b>2021</b>
	<b>AED million</b>	<b>AED million</b>
<b>PROFIT FOR THE PERIOD</b>	<b>1,893</b>	1,432
<b>OTHER COMPREHENSIVE INCOME</b>		
<i>Items that may be reclassified to income statement in subsequent periods:</i>		
Changes in fair values of derivative instruments in cash flow hedges	<b>1,076</b>	1,278
Share of other comprehensive income of joint ventures	<b>35</b>	-
Exchange differences arising on translation of overseas operations	<b>(44)</b>	(3)
	-----	-----
	<b>1,067</b>	1,275
<i>Items not to be reclassified to income statement in subsequent periods:</i>		
Remeasurement loss on defined benefit plans	-	(4)
	-----	-----
	-	(4)
<b>NET OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>1,067</b>	1,271
	-----	-----
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>2,960</b>	2,703
	=====	=====
Attributable to:		
Equity holders of the parent	<b>2,610</b>	2,206
Non-controlling interests	<b>350</b>	497
	-----	-----
	<b>2,960</b>	2,703
	=====	=====

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

# Abu Dhabi National Energy Company PJSC (“TAQA”)

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2022 (Unaudited)

		<i>31 March</i>	<i>(Audited)</i>
		<i>2022</i>	<i>31 December</i>
	<i>Notes</i>	<i>AED million</i>	<i>2021</i>
			<i>AED million</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	<b>121,450</b>	122,397
Operating financial assets		<b>8,815</b>	9,047
Intangible assets		<b>17,663</b>	17,974
Investment in and loans to associates and joint ventures		<b>1,859</b>	1,683
Deferred tax assets		<b>5,469</b>	5,598
Derivative financial instruments	14	<b>137</b>	72
Other assets		<b>893</b>	924
		-----	-----
		<b>156,286</b>	157,695
		-----	-----
<b>Current assets</b>			
Inventories		<b>3,297</b>	3,518
Amounts due from related parties	12	<b>2,799</b>	1,946
Operating financial assets		<b>1,262</b>	1,275
Accounts receivable and prepayments		<b>7,137</b>	6,534
Derivative financial instruments	14	<b>-</b>	11
Income tax prepaid		<b>394</b>	446
Cash and short term deposits	8	<b>6,312</b>	8,772
		-----	-----
		<b>21,201</b>	22,502
		-----	-----
<b>TOTAL ASSETS</b>		<b>177,487</b>	180,197
		=====	=====
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		<b>112,434</b>	112,434
Merger reserve	9	<b>(56,443)</b>	(56,443)
Statutory reserve	9	<b>1,174</b>	977
Retained earnings		<b>5,572</b>	7,284
Foreign currency translation reserve		<b>(38)</b>	6
Cumulative changes in fair value of derivatives in cash flow hedges		<b>2,329</b>	1,646
		-----	-----
		<b>65,028</b>	65,904
		-----	-----
Non-controlling interests		<b>7,081</b>	6,943
Loans from non-controlling interest shareholders in subsidiaries		<b>232</b>	355
		-----	-----
Total non-controlling interest, including loans		<b>7,313</b>	7,298
		-----	-----
<b>TOTAL EQUITY</b>		<b>72,341</b>	73,202
		=====	=====

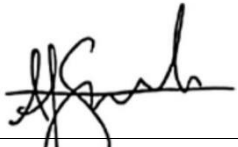
The accompanying notes form an integral part of these interim condensed consolidated financial statements.

# Abu Dhabi National Energy Company PJSC (“TAQA”)

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION continued As at 31 March 2022 (Unaudited)

		<i>31 March</i>	<i>(Audited)</i>
		<i>2022</i>	<i>31 December</i>
	<i>Notes</i>	<i>AED million</i>	<i>2021</i>
			<i>AED million</i>
<b>Non-current liabilities</b>			
Interest bearing loans and borrowings	10	<b>57,407</b>	61,369
Islamic loans	10	<b>46</b>	92
Deferred tax liabilities		<b>1,334</b>	1,304
Asset retirement obligations		<b>16,813</b>	16,873
Derivative financial instruments	14	<b>1,727</b>	2,719
Other liabilities		<b>1,172</b>	1,249
		-----	-----
		<b>78,499</b>	83,606
		-----	-----
<b>Current liabilities</b>			
Accounts payable, accruals and other liabilities		<b>16,474</b>	16,228
Interest bearing loans and borrowings	10	<b>6,313</b>	2,843
Islamic loans	10	<b>88</b>	661
Amounts due to related parties	12	<b>2,492</b>	2,208
Bank overdrafts	8	<b>35</b>	31
Income tax payable		<b>730</b>	543
Derivative financial instruments	14	<b>515</b>	875
		-----	-----
		<b>26,647</b>	23,389
		-----	-----
<b>TOTAL LIABILITIES</b>		<b>105,146</b>	106,995
		=====	=====
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>177,487</b>	180,197
		=====	=====

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 the Group as of, and for, the periods presented therein. The interim condensed consolidated financial statements were approved by the Board of Directors on 11 May 2022 and signed on its behalf by:



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CHAIRMAN OF THE  
BOARD OF DIRECTORS



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CHAIRMAN OF THE  
AUDIT COMMITTEE



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CHIEF EXECUTIVE OFFICER  
& MANAGING DIRECTOR



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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 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Three month period ended 31 March 2022 (Unaudited)

	Attributable to equity holders of the parent						<b>Total AED million</b>	Non- controlling interests AED million	Loans from non- controlling interest shareholders in subsidiaries AED million	<b>Total equity AED million</b>
	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				
Balance at 1 January 2021 (audited)	112,434	(56,443)	381	4,925	19	593	61,909	6,880	466	69,255
Profit for the period	-	-	-	1,435	-	-	1,435	(3)	-	1,432
Other comprehensive income for the period	-	-	-	(4)	(3)	778	771	500	-	1,271
Total comprehensive income for the period	-	-	-	1,431	(3)	778	2,206	497	-	2,703
Dividends (note 16)	-	-	-	(1,124)	-	-	(1,124)	(265)	-	(1,389)
Transfer to reserves	-	-	144	(144)	-	-	-	-	-	-
Repayment of loans	-	-	-	-	-	-	-	-	(39)	(39)
<b>Balance at 31 March 2021 (unaudited)</b>	<b>112,434</b>	<b>(56,443)</b>	<b>525</b>	<b>5,088</b>	<b>16</b>	<b>1,371</b>	<b>62,991</b>	<b>7,112</b>	<b>427</b>	<b>70,530</b>
<b>Balance at 1 January 2022 (audited)</b>	<b>112,434</b>	<b>(56,443)</b>	<b>977</b>	<b>7,284</b>	<b>6</b>	<b>1,646</b>	<b>65,904</b>	<b>6,943</b>	<b>355</b>	<b>73,202</b>
Profit for the period	-	-	-	1,971	-	-	1,971	(78)	-	1,893
Other comprehensive income for the period	-	-	-	-	(44)	683	639	428	-	1,067
Total comprehensive income for the period	-	-	-	1,971	(44)	683	2,610	350	-	2,960
Dividends (note 16)	-	-	-	(3,486)	-	-	(3,486)	(212)	-	(3,698)
Transfer to reserves	-	-	197	(197)	-	-	-	-	-	-
Repayment of loans	-	-	-	-	-	-	-	-	(123)	(123)
<b>Balance at 31 March 2022 (unaudited)</b>	<b>112,434</b>	<b>(56,443)</b>	<b>1,174</b>	<b>5,572</b>	<b>(38)</b>	<b>2,329</b>	<b>65,028</b>	<b>7,081</b>	<b>232</b>	<b>72,341</b>

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

# Abu Dhabi National Energy Company PJSC (“TAQA”)

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Three month period ended 31 March 2022 (Unaudited)

	<i>Notes</i>	<i>31 March 2022 AED million</i>	<i>31 March 2021 AED million</i>
<b>OPERATING ACTIVITIES</b>			
Profit before tax		<b>2,502</b>	1,809
Adjustments for:			
Depreciation, depletion and amortisation		<b>2,382</b>	2,275
Gain on exchange - loans and borrowings and operating financial assets		<b>30</b>	(221)
Finance costs		<b>743</b>	808
Share of results of associates and joint ventures		<b>(147)</b>	(45)
Interest income		<b>(6)</b>	(105)
Other movements		<b>55</b>	(23)
Revenue from operating financial assets		<b>(368)</b>	(453)
Working capital changes:			
Inventories		<b>121</b>	(81)
Accounts receivables and prepayments		<b>(546)</b>	(212)
Amounts due from related parties		<b>(853)</b>	(724)
Amounts due to related parties		<b>284</b>	(660)
Accounts payable, accruals and other liabilities		<b>119</b>	1,159
Income tax paid		<b>(332)</b>	(77)
Asset retirement obligation payments		<b>(209)</b>	(109)
Cash received from operating financial assets		<b>469</b>	416
Net cash generated from operating activities		<b>4,244</b>	3,757
		=====	=====
<b>INVESTING ACTIVITIES</b>			
Purchases of property, plant and equipment	7	<b>(1,017)</b>	(1,188)
Receipts from associates and joint ventures		<b>6</b>	713
Interest received		<b>6</b>	105
Other movements		<b>18</b>	42
Net cash used in investing activities		<b>(987)</b>	(328)
		=====	=====

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



# Abu Dhabi National Energy Company PJSC (“TAQA”)

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS continued Three month period ended 31 March 2022 (Unaudited)

	<i>Notes</i>	<i>31 March 2022 AED million</i>	<i>31 March 2021 AED million</i>
<b>FINANCING ACTIVITIES</b>			
Repayments of interest bearing loans and borrowings	10	<b>(2,817)</b>	(1,563)
Interest bearing loans and borrowings received	10	<b>2,574</b>	-
Repayments of Islamic loans	10	<b>(614)</b>	(39)
Payments of lease liabilities	10	<b>(24)</b>	(36)
Payments of derivative financial instruments		<b>(361)</b>	-
Interest paid		<b>(685)</b>	(777)
Dividend paid to non-controlling interest shareholders		<b>(149)</b>	(204)
Dividend paid to shareholders		<b>(3,486)</b>	(1,124)
Repayment of loans from non-controlling interest shareholders in subsidiaries		<b>(123)</b>	(39)
		-----	-----
Net cash used in financing activities		<b>(5,685)</b>	(3,782)
		=====	=====
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(2,428)</b>	(353)
Net foreign exchange difference		<b>(36)</b>	64
Restricted cash movement		<b>14</b>	8
Cash and cash equivalents at 1 January		<b>8,422</b>	8,321
		-----	-----
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	<b>8</b>	<b>5,972</b>	8,040
		=====	=====

No significant non-cash transactions have been made in the period.

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

# Abu Dhabi National Energy Company PJSC (“TAQA”)

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## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2022 (Unaudited)

### 1 CORPORATE INFORMATION

Abu Dhabi National Energy Company PJSC (“TAQA” 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”). ADPC's ownership represents 98.6% of the entire issued share capital of TAQA with the remainder listed on the Abu Dhabi Securities Exchange. ADPC is 100% owned by Abu Dhabi Development Holding Company (“ADQ”).

TAQA is a diversified utilities and energy company with significant strategic power and water generation assets in its domestic market in the UAE and 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 25<sup>th</sup> 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 three months period ended 31 March 2022 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 2021. In addition, results for the three months ended 31 March 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

As at 31 March 2022, retained earnings of the Group are AED 5,572 million (31 December 2021: AED 7,284 million). As at 31 March 2022, the current liabilities of the Group exceed its current assets by AED 5,446 million (31 December 2021: by AED 887 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 three month period ended 31 March 2022.

The geopolitical situation in Eastern Europe intensified on 24 February 2022 with the commencement of the conflict between Russia and Ukraine. As at the date of authorising these interim condensed consolidated financial statements for issue, the conflict continues to evolve as military activity proceeds. Management has considered the unique circumstances and the possible risks and exposures of the Group and has concluded that there is no significant impact on the Group financials. Similarly, the situation is not expected to have any material impact on the business operations. Management will continue to monitor the situation closely including the impact on commodity price assumptions and will assess the need for any action as required.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
31 March 2022 (Unaudited)

**2 BASIS OF PREPARATION AND ACCOUNTING POLICIES** continued

**2.2 SIGNIFICANT 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 2021, except for the adoption of the following new standards and interpretations effective as of 1 January 2022 which have not caused any material impact on the Group’s interim condensed consolidated financial statements.

- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework.
- Amendments to IAS 16 Property, Plant and Equipment related to proceeds before intended use.
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets related to Onerous Contracts—Cost of Fulfilling a Contract.
- Annual Improvements to IFRS Standards 2018-2020: The Annual Improvements include amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture.

The Group has not early adopted the following standards, interpretations or amendments that have been issued but not yet effective. These are not expected to have any material impact on the Group’s consolidated financial statements.

- IFRS 17 Insurance Contracts (effective from January 1, 2023).
- 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).
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective from January 1, 2023).
- Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16) (effective from 1 April 2022)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) (effective from 1 January 2023)
- Definition of Accounting Estimates (Amendments to IAS 8) (effective from 1 January 2023)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) (effective from 1 January 2023)
- Annual Improvements to IFRS Standards 2018-2020: The Annual Improvements include amendments to (effective date not yet decided) and
- Amendments to IAS 1 and IFRS Practice Statement 2 related to Disclosure of Accounting Policies (effective from January 1, 2023).

The critical judgements and estimates used in the preparation of these interim condensed consolidated financial information are consistent with those used in the preparation of the Group’s annual financial statements for the year ended 31 December 2021.

# Abu Dhabi National Energy Company PJSC (“TAQA”)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2022 (Unaudited)

### 3 REVENUE

#### 3.1 Revenue from generation of power and water

	31 March	
	2022 AED million	2021 AED million
Operating lease revenue	1,300	1,507
Revenue from operating financial assets	368	453
Sale of power	39	53
Energy payments and other related revenue	354	388
Fuel revenue *	721	323
Other revenue	105	88
	-----	-----
	2,887	2,812
	=====	=====

\*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 which is recognised over time.

#### 3.2 Revenue from transmission and distribution of power and water

	31 March	
	2022 AED million	2021 AED million
Transmission use of system (TUOS) charges for unlicensed activities	256	247
Revenue from supply and distribution of power and water	2,662	2,384
Distribution connection and meter installation fees	73	72
Water coupons	21	22
Other operating revenue	3,439	3,131
	-----	-----
	6,451	5,856
	=====	=====

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 1 (“RC1”) license (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.

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 31 March 2022 (Unaudited)

### 3 REVENUE continued

#### 3.3 Revenue from oil and gas

	31 March	
	2022 AED million	2021 AED million
Gross oil and gas revenue	3,102	1,538
Less: royalties	(135)	(63)
	-----	-----
	2,967	1,475
Gas storage revenue	47	97
Net processing income	55	64
Other revenue	6	22
	-----	-----
	3,075	1,658
	=====	=====

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

### 4 INCOME TAX

	31 March	
	2022 AED million	2021 AED million
<i>Current income tax:</i>		
Current income tax charge	495	166
<i>Deferred income tax:</i>		
Relating to origination and reversal of temporary differences	114	211
	-----	-----
Income tax expense	609	377
	=====	=====

Tax for the three month period is charged at 34% (31 March 2021: 35%), representing the best estimate of the average annual effective tax rate expected for the full year, applied to the pre-tax income of the three month period.

# Abu Dhabi National Energy Company PJSC (“TAQA”)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2022 (Unaudited)

### 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>31 March</i>	
	<i>2022</i>	<i>2021</i>
Profit for the period attributable to equity holders of the parent ( <i>AED million</i> )	<b>1,971</b> -----	1,435 -----
Weighted average number of ordinary shares issued (million)	<b>112,434</b> -----	112,434 -----
Basic earnings per share (AED)	<b>0.02</b> =====	0.01 =====

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.

## 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 lines based on their geography, products and services, and has three reportable operating segments as follows:

- Power and Water Generation Segment
- Power and Water Transmission & Distribution Segment
- Oil and Gas 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, Saudi Arabia and the United States.

### *Power and Water Transmission & Distribution Segment*

This segment is engaged in transmission and distribution of water and electricity from the generation and desalination plants 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 and Kurdistan, Iraq.

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	}	Transmission & Distribution
Oil and Gas – North America		
Oil and Gas – Europe	}	Oil & Gas
Oil and Gas – Iraq		

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. Group financing cost and income except for the subsidiaries with project financing arrangements and interest income is managed on a group basis and is 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 power and water generation and oil and gas and available for sale investments are managed on a group basis and are therefore not allocated to operating segments.

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.

# Abu Dhabi National Energy Company PJSC (“TAQA”)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2022 (Unaudited)

### 6 OPERATING SEGMENT INFORMATION continued

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

	<i>Transmission &amp; Distribution AED million</i>	<i>Generation AED million</i>	<i>Oil &amp; Gas AED million</i>	<i>Adjustments, eliminations &amp; unallocated AED million</i>	<i>Consolidated AED million</i>
<b>Period ended 31 March 2022:</b>					
Revenue from external customers	6,451	2,887	3,075	-	12,413
Operating expenses	(4,183)	(1,238)	(1,119)	1	(6,539)
Depreciation, depletion and amortisation	(1,017)	(1,155)	(219)	9	(2,382)
	-----	-----	-----	-----	-----
<b>Gross profit</b>	<b>1,251</b>	<b>494</b>	<b>1,737</b>	<b>10</b>	<b>3,492</b>
General and administrative expenses	(267)	(66)	(51)	(24)	(408)
Finance costs	-	(444)	(111)	(188)	(743)
Net foreign exchange (losses) gains	-	(74)	19	21	(34)
Share of results of associates and joint ventures	-	149	-	(2)	147
Other income	9	40	(1)	(6)	42
Interest income	-	6	-	-	6
Income tax (expense) credit	-	(125)	(502)	18	(609)
	-----	-----	-----	-----	-----
<b>Profit (loss) for the period</b>	<b>993</b>	<b>(20)</b>	<b>1,091</b>	<b>(171)</b>	<b>1,893</b>
Non-controlling interests	-	78	-	-	78
	-----	-----	-----	-----	-----
<b>Profit (loss) for the period Attributable to equity holders of the parent</b>	<b>993</b>	<b>58</b>	<b>1,091</b>	<b>(171)</b>	<b>1,971</b>
	=====	=====	=====	=====	=====
				<i>Adjustments, eliminations &amp; unallocated AED million</i>	<i>Consolidated AED million</i>
	<i>Transmission &amp; Distribution AED million</i>	<i>Generation AED million</i>	<i>Oil &amp; Gas AED million</i>		
<b>Period ended 31 March 2021:</b>					
Revenue from external customers	5,856	2,812	1,658	-	10,326
Operating expenses	(3,526)	(927)	(726)	(7)	(5,186)
Depreciation, depletion and amortisation	(1,029)	(1,173)	(83)	10	(2,275)
	-----	-----	-----	-----	-----
<b>Gross profit</b>	<b>1,301</b>	<b>712</b>	<b>849</b>	<b>3</b>	<b>2,865</b>
General and administrative expenses	(268)	(82)	(49)	(94)	(493)
Finance costs	-	(461)	(108)	(239)	(808)
Net foreign exchange (losses) gains	-	(52)	19	22	(11)
Share of results of associates and joint ventures	-	50	-	(5)	45
Other income	75	20	3	8	106
Interest income	-	7	-	98	105
Income tax (expense) credit	-	(61)	(334)	18	(377)
	-----	-----	-----	-----	-----
<b>Profit (loss) for the period</b>	<b>1,108</b>	<b>133</b>	<b>380</b>	<b>(189)</b>	<b>1,432</b>
Non-controlling interests	-	3	-	-	3
	-----	-----	-----	-----	-----
<b>Profit (loss) for the period Attributable to equity holders of the parent</b>	<b>1,108</b>	<b>136</b>	<b>380</b>	<b>(189)</b>	<b>1,435</b>
	=====	=====	=====	=====	=====



# Abu Dhabi National Energy Company PJSC (“TAQA”)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2022 (Unaudited)

### 6 OPERATING SEGMENT INFORMATION continued

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

	<i>Transmission &amp; Distribution AED million</i>	<i>Generation AED million</i>	<i>Oil &amp; Gas AED million</i>	<i>Adjustments, eliminations &amp; unallocated AED million</i>	<i>Consolidated AED million</i>
<b>At 31 March 2022</b>					
Property, plant and equipment	82,950	32,982	5,505	13	121,450
Operating financial assets	-	10,077	-	-	10,077
Investment in associates, joint ventures and related balances	-	1,457	-	402	1,859
Intangible assets	4,755	12,884	24	-	17,663
Deferred tax assets	-	63	5,407	(1)	5,469
Other assets	5,422	8,781	3,098	3,668	20,969
<b>Segment assets</b>	<b>93,127</b>	<b>66,244</b>	<b>14,034</b>	<b>4,082</b>	<b>177,487</b>
<b>Segment liabilities</b>	<b>14,742</b>	<b>42,587</b>	<b>17,442</b>	<b>30,375</b>	<b>105,146</b>
	<i>Transmission &amp; Distribution AED million</i>	<i>Generation AED million</i>	<i>Oil &amp; Gas AED million</i>	<i>Adjustments, eliminations &amp; unallocated AED million</i>	<i>Consolidated AED million</i>
<b>At 31 December 2021(audited)</b>					
Property, plant and equipment	83,335	33,691	5,468	(97)	122,397
Operating financial assets	-	10,322	-	-	10,322
Investment in associates, joint ventures and related balances	-	1,279	-	404	1,683
Intangible assets	4,755	13,186	33	-	17,974
Deferred tax assets	-	63	5,535	-	5,598
Other assets	4,667	9,160	2,471	5,925	22,223
<b>Segment assets</b>	<b>92,757</b>	<b>67,701</b>	<b>13,507</b>	<b>6,232</b>	<b>180,197</b>
<b>Segment liabilities</b>	<b>14,538</b>	<b>43,863</b>	<b>16,981</b>	<b>31,613</b>	<b>106,995</b>

# Abu Dhabi National Energy Company PJSC (“TAQA”)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2022 (Unaudited)

### 7 PROPERTY, PLANT AND EQUIPMENT

During the three month period ended 31 March 2022, the Group incurred capital expenditure of AED 867 million (31 March 2021: AED 1,273 million) and a depreciation and depletion charge of AED 1,974 million (31 March 2021: AED 2,153 million).

### 8 CASH AND CASH EQUIVALENTS

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

	<i>At 31 March 2022 (Unaudited) AED million</i>	<i>At 31 December 2021 (Audited) AED million</i>	<i>At 31 March 2021 (Unaudited) AED million</i>
Cash in hand and at banks	<b>3,503</b>	5,063	6,295
Short term deposits	<b>2,809</b>	3,709	1,872
	-----	-----	-----
Total cash and short term deposits	<b>6,312</b>	8,772	8,167
Restricted cash	<b>(305)</b>	(319)	(124)
Bank overdrafts	<b>(35)</b>	(31)	(3)
	-----	-----	-----
Net cash and cash equivalents	<b>5,972</b>	8,422	8,040
	=====	=====	=====

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 31 March 2022, the Group had available undrawn committed borrowing facilities of AED 13,344 million (31 December 2021: AED 13,486 million and 31 March 2021: AED 9,081 million) in respect of which all conditions precedent have been met.

# Abu Dhabi National Energy Company PJSC (“TAQA”)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2022 (Unaudited)

### 9 OTHER EQUITY

	<i>At 31 March 2022 (Unaudited) AED million</i>	<i>At 31 December 2021 (Audited) AED million</i>
Statutory reserve (i)	1,174	977
Merger reserve (ii)	<b>(56,443)</b>	(56,443)
	=====	=====

#### (i) Statutory reserve

As required by the UAE Federal Law No. 2 of 2015 and Article 34 of the Articles of Association of the Company, 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. Prior to the completion of the transaction, a capital optimisation programme was completed which saw the settlement of the Statutory Reserve

#### (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, 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 interim condensed 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 (TransCo).

### 10 INTEREST BEARING LOANS AND BORROWINGS AND ISLAMIC LOANS

	<i>31 March 2022 AED million</i>	<i>31 March 2021 AED million</i>
The Group had the following loan receipts / repayments during the period:		
<i>Repayments:</i>		
Interest bearing loans and borrowings	<b>(2,817)</b>	(1,563)
Islamic loans	<b>(614)</b>	(39)
	=====	=====
<i>Receipts:</i>		
Interest bearing loans and borrowings	<b>2,574</b>	-
	=====	=====

On 17 January 2022, Sweihan PV Power Company PJSC refinanced its existing debt facilities with green senior secured bonds of AED 2.6 billion (US \$700.8 million). The bonds were issued at a 3.625% coupon rate maturing on 31 January 2049.

On 3 March 2022, the MYR 650 million (AED 571 million) Islamic loan matured and was repaid in full.

# Abu Dhabi National Energy Company PJSC (“TAQA”)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2022 (Unaudited)

### 10 INTEREST BEARING LOANS AND BORROWINGS AND ISLAMIC LOANS continued

#### Changes in liabilities arising from financing activities

	<i>1 January 2022 AED million</i>	<i>Cash flows (note i) AED million</i>	<i>Other (note ii) AED million</i>	<i>31 March 2022 AED million</i>
<i>2022</i>				
<i>Current:</i>				
Interest bearing loans and borrowings	2,843	(662)	4,132	6,313
Islamic loans	661	(614)	41	88
Lease liabilities	138	(24)	113	227
	-----	-----	-----	-----
	3,642	(1,300)	4,286	6,628
<i>Non-current:</i>				
Interest bearing loans and borrowings	61,369	419	(4,381)	57,407
Islamic loans	92	-	(46)	46
Lease liabilities	388	-	(27)	361
	-----	-----	-----	-----
	61,849	419	(4,454)	57,814
	65,491	(881)	(168)	64,442
	=====	=====	=====	=====
<i>2021</i>				
<i>Current:</i>				
Interest bearing loans and borrowings	8,856	(645)	591	8,802
Islamic loans	173	(39)	640	774
Lease liabilities	217	(36)	8	189
	-----	-----	-----	-----
	9,246	(720)	1,239	9,765
<i>Non-current:</i>				
Interest bearing loans and borrowings	66,198	(918)	(887)	64,393
Islamic loans	780	-	(646)	134
Lease liabilities	361	-	28	389
	-----	-----	-----	-----
	67,339	(918)	(1,505)	64,916
	76,585	(1,638)	(266)	74,681
	=====	=====	=====	=====

- (i) The cash flows relates to the net movements in interest bearing loans and borrowings and Islamic loans 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 31 March 2022 (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 consolidated statement of profit or loss during the three month period:

	<i>31 March 2022 AED million</i>	<i>31 March 2021 AED million</i>
Emirates Water and Electricity Company:		
TUOS and connection charges for unlicensed activity	<b>256</b>	247
Revenue from electricity and water	<b>1,714</b>	1,938
Electricity and water bulk supply tariff	<b>(3,680)</b>	(3,072)
	-----	-----
	<b>(1,710)</b>	(887)
	=====	=====
Other operating revenue	<b>3,439</b>	3,142
	=====	=====
Other transactions		
GCC grid operating fees	<b>(29)</b>	(29)
Massar vehicle leasing	<b>(6)</b>	(6)
License fees to DOE	<b>(25)</b>	(25)
Charges for provision of IT support services	<b>(12)</b>	(9)
Finance costs	<b>(1)</b>	(5)
Interest income	<b>1</b>	-

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 1 (issued by the DoE) and revenue relating to supply and distribution of water and electricity from its customers. Accordingly, the Group recognised this revenue for supply and distribution of water and electricity based on those rights and rewards that are confirmed during the period.

# Abu Dhabi National Energy Company PJSC (“TAQA”)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2022 (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 31 March 2022 (Unaudited) AED million</i>	<i>At 31 December 2021 (Audited) AED million</i>
<i>Non-current asset</i>		
Advance and loans to associates and joint ventures	<b>349</b> =====	349 =====
<i>Current assets</i>		
Bank balances with UAE government banks	<b>3,322</b> =====	6,231 =====
Amounts due from Emirates Water and Electricity Company (EWEC)	<b>1,409</b>	1,547
Amounts due from Abu Dhabi Power Corporation (ADPC)	<b>209</b>	252
Amounts due from other related parties	<b>1,181</b> -----	147 -----
	<b>2,799</b> =====	1,946 =====
<i>Non-current liabilities</i>		
Loan from Abu Dhabi Power Corporation (ADPC)	<b>25</b>	25
Bank loans with government owned bank	<b>111</b> -----	114 -----
	<b>136</b> =====	139 =====
<i>Current liabilities</i>		
Overdraft with UAE government banks	-	13
	<b>2,348</b> =====	1,961 =====
Amounts due to Emirates Water and Electricity Company (EWEC)	<b>60</b>	33
Amounts due to Abu Dhabi Power Corporation (ADPC)	<b>84</b> -----	214 -----
	<b>2,492</b> =====	2,208 =====
Available undrawn bank facilities with UAE government banks	<b>470</b> =====	470 =====

#### Compensation of key management personnel

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

	<i>31 March 2022 AED million</i>	<i>31 March 2021 AED million</i>
Short and long term benefits	<b>20</b> =====	13 =====

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
31 March 2022 (Unaudited)

**13 COMMITMENTS AND CONTINGENCIES**

**(i) Capital expenditure commitments**

The authorised contracted capital expenditure contracted for at 31 March 2022 but not provided for amounted to AED 3,104 million (31 December 2021: AED 2,389 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 755 million as at 31 March 2022 (31 December 2021: AED 767 million).

**(iii) Contingencies**

- a) The Group guaranteed the obligations of TAQA GEN X LLC to Morgan Stanley Capital Group Inc. under the Energy Management Agreement (EMA) and International Swap & Derivatives Master agreement. Payments under this guarantee shall not exceed US \$100 million (AED 367 million) (31 December 2021: AED 367 million) over the life of the EMA. No payments have been made to date (31 December 2021: nil)
- b) 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.

- c) 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.
- d) 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.
- e) 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.

# Abu Dhabi National Energy Company PJSC (“TAQA”)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2022 (Unaudited)

### 14 FINANCIAL INSTRUMENTS

#### 14.1 Hedging Activities

	31 March 2022 (Unaudited)			31 December 2021 (Audited)		
	Notional amount AED million	Fair value		Notional amount AED million	Fair value	
		Current AED million	Non-current AED million		Current AED million	Non-current AED million
<b>Cash flow hedges</b>						
<b>Liabilities</b>						
Cross currency interest rate swap		-	-	573	228	-
Interest rate swaps - hedged	22,243	401	1,663	24,664	571	2,678
Forward foreign exchange contracts	1,873	27	64	322	17	41
		-----	-----		-----	-----
		428	1,727		816	2,719
		=====	=====		=====	=====
<b>Assets</b>						
Interest rate swaps- hedged	93	-	137	123	-	70
Forward foreign exchange contracts		-	-	1,530	11	2
		-----	-----		-----	-----
		-	137		11	72
		=====	=====		=====	=====
<b>Fair value hedges</b>						
<b>Liabilities</b>						
Futures and forward contracts		87	-		59	-
		=====	=====		=====	=====

#### 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	
	31 March 2022	31 Dec 2021	31 March 2022	31 Dec 2021
	AED million	AED million	AED million	AED million
Operating financial assets (note i)	10,077	10,322	10,150	10,462
Interest bearing loans and borrowings (note ii)	36,725	36,972	35,156	37,570

- (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 bonds, Ruwais Power Company bond, Emirates SembCorp Water and Power Company bond and TAQA Morocco bond. The fair value of the interest bearing loans and borrowings is based on price quotations at the reporting date.

#### 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.



# Abu Dhabi National Energy Company PJSC (“TAQA”)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2022 (Unaudited)

### 14 FINANCIAL INSTRUMENTS continued

#### 14.3 Fair Values hierarchy continued

	<i>Fair value AED million</i>	<i>Carrying value AED million</i>	<i>Fair value hierarchy</i>
<i>At 31 March 2022</i>			
<b>Financial assets measured at fair value</b>			
Interest rate swaps- hedged	137	137	Level 2
Future and forward contracts	-	-	Level 2
<b>Financial assets disclosed at fair value</b>			
Operating financial assets	10,150	10,077	Level 3
<b>Financial liabilities measured at fair value</b>			
Interest rate swaps – hedged	2,064	2,064	Level 2
Forward foreign exchange contracts	91	91	Level 2
<b>Financial liabilities disclosed at fair value</b>			
Interest bearing loans and borrowings	35,156	36,725	Level 1
Future and forward contracts	87	87	Level 2
<i>At 31 December 2021</i>			
<b>Financial assets measured at fair value</b>			
Interest rate swaps- hedged	70	70	Level 2
Forward foreign exchange contracts	13	13	Level 2
<b>Financial assets disclosed at fair value</b>			
Operating financial assets	10,462	10,322	Level 3
<b>Financial liabilities measured at fair value</b>			
Interest rate swaps – hedged	3,249	3,249	Level 2
Forward foreign exchange contracts	58	58	Level 2
Cross currency interest rate swaps	228	228	Level 2
Future and forward contracts	59	59	Level 2
<b>Financial liabilities disclosed at fair value</b>			
Interest bearing loans and borrowings	37,570	36,972	Level 1

During the period ended 31 March 2022 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.

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 31 March 2022 (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 31 March 2022 are listed below:

<i>Subsidiaries</i>	<i>Effective ownership %</i>	<i>Country of incorporation</i>	<i>Principal activities</i>
<b>FOREIGN SUBSIDIARIES</b>			
TAQA Bratani Limited	100%	UK	Oil & gas production
TAQA North Limited	100%	Canada	Oil & gas production
TAQA Atrush B.V.	100%	Netherlands	Oil & gas production
TAQA Energy B.V	100%	Netherlands	Gas storage, oil & gas production
TAQA Morocco	86%	Morocco	Power generation
Jorf Lasfar Energy Company 5&6 S.A	91%	Morocco	Power generation
Takoradi International Company	90%	Cayman Islands	Power generation
TAQA Neyveli Power Company Private Limited	100%	India	Power generation
TAQA GEN X	85%	USA	Gas power tolling interest
<b>DOMESTIC SUBSIDIARIES</b>			
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.
Abu Dhabi Distribution Company PJSC (ADDC)	100%	UAE	Distribution of water and electricity in the region of Abu Dhabi, Al Ain, and the surrounding areas.
Al Ain Distribution Company PJSC (AADC)	100%	UAE	
Al Mirfa Power Company PJSC (AMPC)	100%	UAE	
Sweihan PV Power Company PJSC	60%	UAE	Generation of electricity and the production of desalinated water
Shuweihat Asia Power Company PJSC (SAPCO)	60%	UAE	
Mirfa International Power and Water Company PJSC (MIPCO)	60%	UAE	
Gulf Total Tractebel Power Company PJSC (GTTPC)	60%	UAE	
Arabian Power Company PJSC (APC)	60%	UAE	
Shuweihat CMS International Power Company PJSC (SCIPCO)	60%	UAE	
Taweelah Asia Power Company PJSC (TAPCO)	60%	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	
Taweelah Shared Facilities Company LLC	56%	UAE	Operating & maintenance
Shuweihat Shared Facilities Company LLC	50%	UAE	Operating & maintenance
<b>ASSOCIATES</b>			
Massar Solutions PJSC	49%	UAE	Lease management
Jubail Energy Company LLC	25%	KSA	Generation of electricity
Sohar Aluminium Company LLC	40%	Oman	Aluminium smelter
<b>JOINT VENTURES</b>			
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
Tanjib Cogeneration Holding Company Limited	49%	UAE	Generation of electricity

During the period ended 31 March 2022 and 31 December 2021, there were no changes in the major operating subsidiaries, joint ventures, and associates

# Abu Dhabi National Energy Company PJSC (“TAQA”)

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## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2022 (Unaudited)

### **16 DIVIDENDS**

#### **2022**

At the General Assembly meeting in March 2022, the shareholder’s approved a dividend of AED 1,237 million, being AED 0.01 per share for the year ended 31 December 2021. A special dividend was also approved by the shareholders of AED 2,249 million, being AED 0.02 per share. Both dividends were paid in the three month period ended 31 March 2022.

#### **2021**

At the General Assembly meeting in March 2021, the shareholder’s approved a dividend of AED 1,124 million, being AED 0.01 per share for the year ended 31 December 2020. This dividend was paid on 25 March 2021.

### **17 EVENTS AFTER THE REPORTING DATE**

On 11 May 2022, the Board of Directors proposed an interim dividend of AED 675 million, being AED 0.006 per share for the quarter ended 31 March 2022. The interim dividend is in accordance with the dividend policy approved by the shareholders on 14 December 2020.