



Press Release

TAQA's core investments drive nine month 2019 profits
The Group reports AED 13 billion in revenues and AED 3 billion debt reduction

November 7, 2019

Abu Dhabi, UAE: Abu Dhabi National Energy Company PJSC (**TAQA**) (ADX: TAQA) (ISIN: AEA002401015), a leading global energy company headquartered in Abu Dhabi with operations in 11 countries, announced today its financial results and operational highlights for the nine-month period ended September 30, 2019.

TAQA recorded steady revenues of AED 13.1 billion for the period, a slight decrease of 3% compared to the corresponding period in 2018. Revenues for the Power and Water segment remained stable at AED 8.7 billion and were 9% lower at AED 4.4 billion for the Oil and Gas segment due to lower volumes and realized prices in Europe. Global power technical availability averaged 94.5% with oil and gas production up 1% to 123,322 barrels of oil equivalent per day (boepd).

The Group also reported AED 7.0 billion in EBITDA, a 5% reduction compared to the previous year, mainly driven by lower revenue along with reduced income from associates due to one-off insurance proceeds at Sohar Aluminium in 2018.

The Group's overall capex marginally increased to AED 1,221 million for the period, consistent with 2018 spend. Power and Water capex was focused on regular maintenance work predominantly across the UAE fleet, while Oil & Gas capex included bringing new wells on stream at TAQA Atrush and carrying out debottlenecking work to increase the capacity of volumes that can be handled by the production facility. TAQA's entitlement production has now reached 6,345 boepd for the nine month period ended 30 September 2019, a 102% increase from 2018. Contributions to both revenues and EBITDA from the Atrush asset have increased significantly, up 95% and 106% respectively to AED 357 million and AED 222 million.

Consolidated net profit was negatively impacted by unfavorable mark-to-market movements generated by an energy price reduction and the reimplementation of the regional greenhouse gas initiative in New Jersey which impacted Red Oak, the Group's US-based power asset. This was offset by positive movements in foreign exchange gains which were realized as a result of a weaker Euro and a reduction in current tax charges due to the decrease in taxable income within the Oil and Gas segment. Therefore, the consolidated net income fell 21% to AED 925 million with TAQA's share of net profits down 54% to AED 198 million compared to the nine-month period last year.

TAQA's liquidity as of 30 September 2019 remained strong at AED 11.2 billion, including AED 2.2 billion in cash and cash equivalents and AED 8.9 billion of undrawn credit facilities. This reflected September's redemption at maturity of TAQA's US\$ 500 million bond carrying a 6.250% coupon that was later refinanced in early-October with a new



bond of the same value, carrying a reduced coupon of 4.000% and due for repayment in 2049. The Group continued its substantial progress in reducing debt, with a decrease of AED 3.0 billion over the last nine months, which brings the Groups debt to AED 63.3 billion at the end of the period.

Commenting on the year-to-date performance, Saeed Mubarak Al Hajeri, Chairman of TAQA, said: “TAQA’s results for the first nine months of 2019 come amid headwinds for the hydrocarbon industry and continue to be bolstered by strong and stable performance in our Power and Water business. In addition, the Group continues to reduce its debt position while maintaining strong liquidity. Our recent 30-year bond issuance and the overwhelming demand seen from investors is testament to the stability of our overall business. Moving forward, we remain positive about greater opportunities to grow our power generation and water desalination business to achieve sustained growth.”

TAQA CEO, Saeed Al Dhaheri, added: “In the first nine months of the year, TAQA had strong performance by the UAE fleet resulting in an increased availability to help meet power and water demands. Our oil and gas business was boosted by our increased production at KRI’s Atrush, which currently stands at 45,000 barrels of oil per day, as well as increased revenues from our gas storage facilities in the Netherlands.”

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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 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, Netherlands, the United Kingdom and the United States.